

Unless stated otherwise, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to the Share Registrar, Sctrars Management Sdn Bhd at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad Brickfields, 50470 Kuala Lumpur, Malaysia (Tel: +603 - 2276 6138).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 17 March 2023 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 17 March 2023. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, TA Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 1 July 2022. Approval has been obtained from Bursa Securities via its letter dated 31 May 2022 for the admission of the Warrants to the Official List as well as the listing and quotation of the Rights Shares, Warrants and the new Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the Rights Shares and Warrants allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue with Warrants and are not to be taken as an indication of the merits of the Rights Issue with Warrants.

The SC is not liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



FITTERS DIVERSIFIED BERHAD

Registration No. 198601000595 (149735-M)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,862,402,877 NEW ORDINARY SHARES IN FITTERS DIVERSIFIED BERHAD ("FITTERS" OR THE "COMPANY") ("FITTERS SHARES" OR "SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.065 PER RIGHTS SHARE TOGETHER WITH UP TO 1,241,601,918 FREE DETACHABLE WARRANTS IN THE COMPANY ("WARRANTS") ON THE BASIS OF 3 RIGHTS SHARES TOGETHER WITH 2 FREE WARRANTS FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 17 MARCH 2023

Principal Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD

Registration No. 197301001467 (14948-M)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Friday, 17 March 2023 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Allotments	: Friday, 24 March 2023 at 5.00 p.m.
Transfer of Provisional Allotments	: Tuesday, 28 March 2023 at 4.30 p.m.
Acceptance and payment	: Monday, 3 April 2023 at 5.00 p.m.
Excess Rights Shares with Warrants Application and payment	: Monday, 3 April 2023 at 5.00 p.m.

This Abridged Prospectus is dated 17 March 2023

ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE DIRECTORS OF THE COMPANY HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE INQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

TA SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE "DOCUMENTS") IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

30% Private Placement	- Private placement of 140,303,800 Shares, representing approximately 30% of the total number of issued shares of the Company, which was completed on 28 March 2022
Abridged Prospectus	- This abridged prospectus dated 17 March 2023 in relation to the Rights Issue with Warrants
Act	- Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
AHT	- AHT Syngas Technology NV
Authorised Nominee	- A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
Bloomberg	- Bloomberg Finance Singapore L.P. and its affiliates
BNM	- Bank Negara Malaysia
Board	- The Board of Directors of the Company
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	- Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CDS	- Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	- Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Circular	- Circular to the Shareholders dated 16 June 2022 in relation to the Rights Issue with Warrants
Closing Date	- 3 April 2023 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants
CMSA	- Capital Markets and Services Act, 2007 of Malaysia as amended from time to time and any re-enactment thereof
Code	- Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time

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DEFINITIONS (CONT'D)

COVID-19	- Coronavirus disease of 2019
CPO	- Crude palm oil
Deed Poll	- Deed poll constituting the Warrants dated 28 February 2023 and executed by the Company
Directors	- Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the CMSA and Director shall be construed accordingly
EGM	- Extraordinary general meeting of the Company
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date in order to be entitled to the Rights Issue with Warrants
Entitlement Date	- 17 March 2023, at the close of business at 5.00 p.m., on which the names of Shareholders must appear in the Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants
EPS	- Earnings per Share
Excess Rights Shares with Warrants	- The Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) by the Closing Date
Excess Rights Shares with Warrants Application	- Application for additional Rights Shares with Warrants in excess of the Provisional Allotments by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable)
Exercise Period	- Any time within a period of 3 years commencing from and including the date of issuance of the Warrants to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Warrants. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	- RM0.070, being the price at which 1 Warrant is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll
e-NPA	- Electronic notice of provisional allotment in relation to the Rights Issue with Warrants
e-RSF	- Electronic rights subscription form in relation to the Rights Issue with Warrants
e-Subscription	- Electronic subscription for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants via Sctrars Online

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DEFINITIONS (CONT'D)

FFB	- Fresh fruit bunches, being the oil palm fruits which grow in bunches on oil palm trees, from which CPO, palm kernel and crude palm kernel oil are obtained
FITTERS or the Company	- FITTERS Diversified Berhad (198601000595 (149735-M))
FITTERS Group or the Group	- Collectively, FITTERS and its subsidiaries
FITTERS Shares or the Shares	- Ordinary shares in the Company
FNSB	- Future NRG Sdn Bhd (200801012859 (814147-M)), a wholly-owned subsidiary of FITTERS
Foreign Addressed Shareholders	- Shareholders who have not provided to the Company a registered address or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants
FPE	- Financial period(s) ended / ending, as the case may be
FYE	- Financial year(s) ended / ending, as the case may be
Government	- Government of Malaysia
GP	- Gross profit
IMR Report	- Independent market research report dated 21 February 2023 prepared by Infobusiness
Infobusiness or the IMR	- Infobusiness Research & Consulting Sdn Bhd (199901024026 (498926-P))
LAT	- Loss after taxation
LBT	- Loss before taxation
Listing Requirements	- Main Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	- 21 February 2023, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	- Loss per Share
LTD	- 27 February 2023, being the last trading day prior to the date of fixing the issue price of the Rights Shares and the Exercise Price
Market Day(s)	- Any day on which Bursa Securities is open for trading in securities

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DEFINITIONS (CONT'D)

Maximum Scenario	- Assuming that, prior to the Entitlement Date, all the treasury shares are resold in the open market and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements under the Rights Issue with Warrants
MCO	- Movement control order issued by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
MIDA	- Malaysian Investment Development Authority
Minimum Scenario	- Assuming that, prior to the Entitlement Date, none of the treasury shares are resold in the open market and the Rights Issue with Warrants is undertaken based on the Minimum Subscription Level
Minimum Subscription Level	- Minimum subscription level of 230,769,231 Rights Shares together with 153,846,154 Warrants based on an issue price of RM0.065 per Rights Share to arrive at RM15.00 million
Molecor SEA	- Molecor (SEA) Sdn Bhd (199701005001 (420497-A))
Molecor Tecnologia	- Molecor Tecnologia S.L. (B84724921)
MPOB	- Malaysian Palm Oil Board
MT	- Metric tonnes
NA	- Net assets
NPA	- Notice of provisional allotment in relation to the Rights Issue with Warrants
Official List	- Official list of the Main Market of Bursa Securities
PAT	- Profit after taxation
PBT	- Profit before taxation
Provisional Allotments	- The Rights Shares with Warrants provisionally allotted to Entitled Shareholders
Record of Depositors	- A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue with Warrants	- Renounceable rights issue of up to 1,862,402,877 Rights Shares together with up to 1,241,601,918 free detachable Warrants on the basis of 3 Rights Shares together with 2 free Warrants for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date

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DEFINITIONS (CONT'D)

Rights Shares	- New Shares to be allotted and issued pursuant to the Rights Issue with Warrants
RM and sen	- Ringgit Malaysia and sen respectively
RSF	- Rights subscription form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	- The Rules of Bursa Depository issued pursuant to the SICDA, as amended from time to time
Rules on Take-Overs	- Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time
SC	- Securities Commission Malaysia
Share Registrar	- Sectrars Management Sdn Bhd (201501002558 (1127890-P))
Shareholders	- Registered holders of the Shares
SICDA	- Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time
SIS	- Share issuance scheme of the Company which took effect on 28 January 2022 for a period of 5 years
SIS Options	- Options that may be granted to eligible persons, during the duration of the SIS pursuant to the existing by-laws governing the SIS, where each option holder can subscribe for 1 new Share for every 1 SIS Option held
TA Securities or the Principal Adviser	- TA Securities Holdings Berhad (197301001467 (14948-M))
TEAP	- Theoretical ex-all price
Undertakings	- The irrevocable and unconditional written undertakings from the Undertaking Shareholders dated 13 May 2022 to apply and subscribe in full for their Rights Share entitlements and additional Rights Shares under the Excess Rights Shares with Warrants Application (amounting to 230,769,231 Rights Shares with 153,846,154 Warrants) in order to meet the Minimum Subscription Level, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholders	- Collectively, Hoo Swee Guan (Executive Director of FITTERS) and Tan Li Sin (former Non-Independent Non-Executive Director of FITTERS)
VWAP	- Volume-weighted average market price
Warrants	- Free detachable warrants in the Company to be allotted and issued pursuant to the Rights Issue with Warrants
Warrant Holders	- Holders of the Warrants

DEFINITIONS (CONT'D)

In this Abridged Prospectus, all references to “the Company” are to FITTERS and references to “we”, “us”, “our” and “ourselves” are to the Company and, where the context otherwise requires, the subsidiaries of the Company. All references to “you” in this Abridged Prospectus are to the Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time and date in this Abridged Prospectus shall be a reference to Malaysian time and date, unless otherwise stated.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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ADVISERS' DIRECTORY

- COMPANY SECRETARY** : Tea Sor Hua (MACS 01324)
(SSM PC No. 201908001272)
Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor
Tel : +603 – 7725 1777
Fax : +603 – 7722 3668
- PRINCIPAL ADVISER** : TA Securities Holdings Berhad
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel : +603 - 2072 1277
Fax : +603 – 2161 2693
- SOLICITORS FOR THE RIGHTS
ISSUE WITH WARRANTS** : Messrs Ong, Ric & Partners
Advocates & Solicitors
C-2-7, Plaza Damas
No. 60, Jalan Sri Hartamas 1
Sri Hartamas
50480 Kuala Lumpur
Tel : +603 – 6211 3830
Fax : +603 – 6211 1383
- SHARE REGISTRAR** : Sectrars Management Sdn Bhd
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpur
Tel : +603 – 2276 6138
Fax : +603 – 2276 6131
- REPORTING ACCOUNTANTS** : ChengCo PLT
LLP0017004-LCA & AF 0886
No 8-2, 10-1 & 10-2, Jalan 2/114
Off Jalan Klang Lama
Kuchai Business Centre
58200 Kuala Lumpur
Tel : +603 – 7984 8988
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- INDEPENDENT MARKET
RESEARCHER** : Infobusiness Research & Consulting Sdn Bhd
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No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel : +603 – 6205 3930
Fax : +603 – 6205 3927
- Person-in-charge: Leow Hock Bee
(Bachelor of Science (Honours) in Geology from The University
of Western Ontario, Canada)
(Master of Business Administration, Massey University, New
Zealand)
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

This summary of the Rights Issue with Warrants only highlights the key information from other parts of the Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

Summary

Number of Rights Shares to be issued and basis of allotment

Basis: 3 Rights Shares with 2 free Warrants for every 1 existing Share held by the Entitled Shareholders. Please refer to Section 2.1 of this Abridged Prospectus for further information.

	Minimum Scenario	Maximum Scenario
Number of Rights Shares to be issued	230,769,231	1,862,402,877
Number of Warrants attached	153,846,154	1,241,601,918

The Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the priority as set out in Section 10.6 of this Abridged Prospectus.

Pricing

Issue price of the Rights Shares: RM0.065 per Rights Share

Exercise Price for the Warrants: RM0.070 per Warrant. Each Warrant shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period.

Please refer to Section 2.2 of this Abridged Prospectus for further information.

Undertakings

Undertaking Shareholders and undertaking amount	Hoo Swee Guan (Executive Director of the Company)	RM7.50 million		
	Tan Li Sin (former Non-Independent Non-Executive Director of the Company)	RM7.50 million		
Total		RM15.00 million		
Minimum Rights Shares to be subscribed for pursuant to the Undertakings	Undertaking Shareholders	Entitlement	Excess application	Total number of Rights Shares to be subscribed
	Hoo Swee Guan	120,000	115,264,616	⁽¹⁾⁽²⁾ 115,384,616
	Tan Li Sin	30,000	115,354,615	⁽¹⁾⁽²⁾ 115,384,615
	Total	150,000	230,619,231	230,769,231

Notes:

- (1) Based on the issue price of RM0.065 per Rights Share.
- (2) Representing 6.20% of the total number of 1,862,402,877 Rights Shares available for subscription under the Maximum Scenario.

Shareholding of the Undertaking Shareholders pursuant to the Undertakings under the Minimum Scenario

Undertaking Shareholders	Existing direct shareholdings as at the LPD		(I) After the Rights Issue with Warrants		After (I) and assuming full exercise of the Warrants	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	⁽³⁾ No. of Shares	⁽⁴⁾ %
Hoo Swee Guan	40,000	0.01	115,424,616	13.76	192,347,693	19.38
Tan Li Sin	10,000	*	115,394,615	13.76	192,317,692	19.38
Total	50,000	0.01	230,819,231	27.52	384,665,385	38.76

Notes:

- (1) Based on 607,983,311 issued Shares (excluding 12,817,648 treasury shares) as at the LPD.
- (2) Based on 838,752,542 enlarged issued Shares (excluding 12,817,648 treasury shares) under the Minimum Scenario.
- (3) Each of the Undertaking Shareholders will receive 76,923,077 free Warrants pursuant to the Undertakings.
- (4) Based on 992,598,696 enlarged issued Shares (excluding 12,817,648 treasury shares) under the Minimum Scenario.

* Less than 0.01%

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)**Summary**

As the Minimum Subscription Level will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining open portion (Rights Shares not undertaken by the Undertaking Shareholders) of up to 1,631,633,646 Rights Shares (representing 87.61% of the total number of 1,862,402,877 Rights Shares under the Maximum Scenario). Please refer to Section 3 of this Abridged Prospectus for further information.

Rationale for the Rights Issue with Warrants

- (i) To raise funds and channel them towards the utilisation as set out in Section 5 of this Abridged Prospectus.
- (ii) To raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

Please refer to Section 4 of this Abridged Prospectus for further information.

Utilisation of proceeds

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		Maximum Scenario	
		(RM'000)	(%)	(RM'000)	(%)
(i) Working capital for the Group's palm oil mill	Within 18 months	15,000	100.00	60,000	49.57
(ii) Repayment of borrowings	Within 18 months	-	-	50,000	41.30
(iii) Funding for the Group's fire services projects	Within 18 months	-	-	10,256	8.47
(iv) Estimated expenses for the Rights Issue with Warrants	Immediate	-	-	800	0.66
Total		15,000	100.00	121,056	100.00

Please refer to Section 5 of this Abridged Prospectus for further information.

Risk factors

You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:

- (i) the Group's palm oil business is affected by fluctuation in price or availability of raw materials.
- (ii) the Group's fire services business is largely dependent on the sustainability of the Group's order book;
- (iii) the Group's business operations is subject to political, economic and regulatory risks, availability and cost of labour as well as competition risk.

Please refer to Section 6 of this Abridged Prospectus for further information.

Procedures for acceptance and payment

Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with Warrants must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein.

The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants is on **Monday, 3 April 2023 at 5.00 p.m.**

Please refer to Section 10 of this Abridged Prospectus for further information.



FITTERS DIVERSIFIED BERHAD

Registration No. 198601000595 (149735-M)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

Registered Office

Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor

17 March 2023

Board of Directors:

Dato' Sok One A/L Esen (Independent Non-Executive Chairman)
Dato' Sri Gan Chow Tee (Executive Director)
Hoo Swee Guan (Executive Director)
Wong Kok Seong (Independent Non-Executive Director)
Kho See Yiing (Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,862,402,877 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.065 PER RIGHTS SHARE TOGETHER WITH UP TO 1,241,601,918 FREE DETACHABLE WARRANTS ON THE BASIS OF 3 RIGHTS SHARES TOGETHER WITH 2 FREE WARRANTS FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 17 MARCH 2023

1. INTRODUCTION

On 13 May 2022, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Rights Issue with Warrants.

On 31 May 2022, TA Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 31 May 2022 granted its approval for the following:

- (i) admission of the Warrants to the Official List;
- (ii) listing and quotation of the Rights Shares and Warrants; and
- (iii) listing and quotation of the new Shares to be issued upon the exercise of the Warrants.

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The approval of Bursa Securities referred to above is subject to the following conditions:

Conditions	Status of compliance
(i) FITTERS and TA Securities must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Rights Issue with Warrants;	To be complied
(ii) FITTERS and TA Securities are required to inform Bursa Securities upon completion of the Rights Issue with Warrants; and	To be complied
(iii) FITTERS and TA Securities are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed.	To be complied

On 1 July 2022, the Shareholders had approved the Rights Issue with Warrants at the EGM.

On 23 November 2022, TA Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 23 November 2022 granted its approval for an extension of time until 30 May 2023 to implement and complete the Rights Issue with Warrants.

On 28 February 2023, TA Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the Rights Shares at RM0.065 per Rights Share as well as the Exercise Price at RM0.070 per Warrant.

On 1 March 2023, TA Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 17 March 2023.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by TA Securities or the Company in connection with the Rights Issue with Warrants.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants involves the issuance of up to 1,862,402,877 Rights Shares together with up to 1,241,601,918 free Warrants to be implemented on a renounceable basis of 3 Rights Shares together with 2 free Warrants for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date at an issue price of RM0.065 per Rights Share.

The actual number of Rights Shares and Warrants to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date after taking into consideration any treasury shares that may be resold in the open market as well as the eventual subscription level for the Rights Issue with Warrants.

As at the LPD, the Company has 607,983,311 issued Shares (excluding 12,817,648 treasury shares) and up to 91,197,400 SIS Options which may be granted pursuant to the maximum allowable amount under the SIS. There is no outstanding SIS Options that have been granted but yet to be exercised at as the LPD. The Company does not intend to grant any SIS Options prior to the completion of the Rights Issue with Warrants.

As the Rights Shares and Warrants are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants if Entitled Shareholders so choose to.

However, only Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided the Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus together with the NPA and RSF.

The Warrants are attached to the Rights Shares without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the Rights Shares. The Warrants are exercisable into new Shares and each Warrant will entitle the Warrant Holder to subscribe for 1 new Share at the Exercise Price. The Warrants will be immediately detached from the Rights Shares upon issuance and traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll. The salient terms of the Warrants are set out in Section 2.5 of this Abridged Prospectus.

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and new Shares to be issued arising from the exercise of the Warrants will be credited directly into the respective CDS Accounts of successful applicants and Warrant Holders who exercise their Warrants (as the case may be). No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants, nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue with Warrants. However, the Rights Shares and Warrants cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their Rights Shares entitlements will not be entitled to the Warrants. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion to their acceptance of the Rights Shares entitlements.

The Rights Shares and Warrants which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable, shall be made available for Excess Rights Shares with Warrants Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the priority as set out in Section 10.6 of this Abridged Prospectus.

Fractional entitlements arising from the Rights Issue with Warrants, if any, will be disregarded and/or dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interests of the Company.

Notices of allotment will be despatched to the successful applicants of the Rights Shares with Warrants within 8 Market Days from the last date for acceptance and payment of the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

The Warrants will be admitted to the Official List and the listing and quotation of the Rights Shares and Warrants on the Main Market of Bursa Securities will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the Rights Shares and Warrants.

2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price

(i) Issue price of the Rights Shares

The Board had fixed the issue price of the Rights Shares at RM0.065 per Rights Share after taking into consideration, amongst others, the following:

- (i) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus; and
- (ii) the TEAP of RM0.0736 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1068 per Share.

The issue price of RM0.065 per Rights Share represents a discount of 11.68% to the TEAP of RM0.0736 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1068 per Share and the Exercise Price of RM0.070 per Warrant.

(ii) Exercise Price

The Board had fixed the Exercise Price at RM0.070 per Warrant after taking into consideration, amongst others, the TEAP of RM0.0736 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1068 per Share.

The Exercise Price of RM0.070 per Warrant represents a discount of 4.89% to the TEAP of RM0.0736 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1068 per Share and the issue price of RM0.065 per Rights Share.

2.3 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants

(i) Rights Shares

The Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank pari passu in all respects with the then existing issued Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares.

(ii) New Shares to be issued arising from exercise of the Warrants

The new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

2.4 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **Monday, 3 April 2023**.

2.5 Salient terms of the Warrants

Issuer	: FITTERS
Issue size	: Up to 1,241,601,918 Warrants
Form and detachability	: The Warrants will be issued in registered form and constituted by the Deed Poll. The Warrants which are to be issued with the Rights Shares will be immediately detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 units of Warrants, unless otherwise revised by the relevant authorities.
Tenure	: 3 years commencing on and including the date of issuance of the Warrants.
Exercise Period	: The Warrants may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 3 rd anniversary from the date of issuance of the Warrants. Any Warrant not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	: RM0.070 per Warrant. The Exercise Price and/or the number of Warrants in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Exercise rights	: Each Warrant shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Mode of exercise	: The holders of the Warrants are required to lodge a subscription form with the Company's registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or electronic submission via email to sectrarsmg@gmail.com for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in RM.
Adjustments to the Exercise Price and/or the number of the Warrants	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares or subdivision of shares, in accordance with the provisions of the Deed Poll.

Rights of the Warrant Holders	: The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.
Ranking of the new Shares to be issued pursuant to the exercise of the Warrants	: The new Shares to be issued pursuant to the exercise of the Warrants in accordance with the provisions of the Deed Poll shall, upon allotment, issue and full payment of the Exercise Price of the Warrants, rank equally in all respects with the existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of the new Shares arising from the exercise of the Warrants.
Rights of the Warrant Holders in the event of winding up, liquidation, compromise and/or arrangement	: Where a resolution has been passed by the Company for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then: <ul style="list-style-type: none"> (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant Holders (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise and arrangement shall be binding on all the Warrant Holders; and (ii) in any other cases, every Warrant Holder shall be entitled to exercise his / her Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant Holder credited as fully paid subject to the prevailing laws, and such Warrants holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.
Modification of rights of Warrant Holders	: Save as otherwise provided in the Deed Poll, a special resolution of the Warrant Holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant Holders.

Modification of the Deed Poll	: Any modification to the terms and conditions of the Deed Poll may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll. Any of such modification shall however be subjected to the approval of Bursa Securities (if so required).
	No amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant Holders.
Listing	: The Warrants will be listed and traded on the Main Market of Bursa Securities. The listing and quotation of Warrants on the Main Market of Bursa Securities is subjected to a minimum of 100 holders of Warrants.
Transferability	: The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Deed Poll	: The Warrants shall be constituted under the Deed Poll.
Governing laws	: The Warrants and Deed Poll shall be governed by the laws of Malaysia.

2.6 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants, the Board confirmed that there are no other corporate exercises which have been announced and/or approved by the regulatory authorities but are pending completion. Other fund-raising exercise undertaken by the Company which had been completed in the past 12 months preceding the LPD is as follows:

30% Private Placement

On 28 March 2022, the Company completed the 30% Private Placement which involved the issuance of 140,303,800 new Shares and raised proceeds of RM21.97 million. As at the LPD, the status of utilisation of proceeds are as follows:

Details of utilisation of proceeds	Proceeds raised (RM'000)	Actual utilisation (RM'000)	Deviation RM'000)	Balance unutilised (RM'000)	Estimated timeframe for utilisation from completion of the 30% Private Placement
(i) Repayment of borrowings	19,852	⁽¹⁾ 19,973	121	-	Within 12 months
(ii) Working capital for the Group's palm oil mill	1,523	1,523	-	-	Within 12 months
(iii) Estimated expenses	600	479	(121)	-	Immediate
Total	21,975	21,975	-	-	

Note:

(1) The proceeds have been utilised for the borrowings as set out below:

Bank	Type of borrowings	Actual utilisation RM'000
AmBank Islamic Berhad	Banker's acceptances	15,890
AmBank Islamic Berhad	Term loan	2,308
OCBC Bank (Malaysia) Berhad	Term loan	895
Hong Leong Bank Berhad	Term loan	500
AmBank (M) Berhad	Revolving credit	200
CIMB Bank Berhad	Term loan	180
Total		19,973

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3. MINIMUM SUBSCRIPTION LEVEL AND THE UNDERTAKINGS

FITTERS intends to raise a minimum of RM15.00 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the utilisation as set out in Section 5 of this Abridged Prospectus. As such, the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level. The minimum funding requirement of RM15.00 million was contemplated after considering the following reasons:

- (i) considering the need to implement the Rights Issue with Warrants expeditiously and that the Group only managed to secure undertakings from the Undertaking Shareholders of up to RM15.00 million; and
- (ii) the RM15.00 million will be used as additional working capital for the Group's palm oil mill, mainly for the purchase of FFB. If the Company is able to raise more funds from the Rights Issue with Warrants, additional funds will be allocated towards working capital of the Group's palm oil mill (up to RM60.00 million under the Maximum Scenario as set out in Section 5 of this Abridged Prospectus).

The Minimum Subscription Level will be met via the Undertakings from Hoo Swee Guan (Executive Director of FITTERS) and Tan Li Sin (former Non-Independent Non-Executive Director of FITTERS) to apply and subscribe in full for their Rights Share entitlements and additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares with Warrants Application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by the Company arising from the subscription by all Entitled Shareholders and/or their renounee(s) (including the Undertaking Shareholders, if necessary) amount to not less than RM15.00 million. For the avoidance of doubt, the Undertaking Shareholders will still subscribe for their Rights Share entitlements and additional Rights Shares not fully taken up by other Entitled Shareholders by way of Excess Rights Shares with Warrants Application pursuant to the Undertakings even if the Minimum Subscription Level has been achieved via subscription by other Entitled Shareholders and/or their renounee(s).

A summary of the Undertakings is set out as below:

Undertaking Shareholders	Existing direct shareholdings as at the LPD		Minimum Rights Shares to be subscribed for pursuant to the Undertakings		Subscription amount pursuant to Undertakings RM
	No. of Shares	(¹)%	Subscription based on entitlement	Subscription based on excess application	
Hoo Swee Guan	40,000	0.01	120,000	115,264,616	7,500,000
Tan Li Sin	10,000	*	30,000	115,354,615	7,500,000
Total	50,000	0.01	150,000	230,619,231	15,000,000

Undertaking Shareholders	Assuming none of the other Entitled Shareholders subscribe for their Rights Shares		
	No. of Shares held after the Rights Issue with Warrants	(2)%	(3)No. of Shares held after the Rights Issue with Warrants and assuming full exercise of the Warrants
Hoo Swee Guan	115,424,616	13.76	192,347,693
Tan Li Sin	115,394,615	13.76	192,347,692
Total	230,819,231	27.52	384,665,385
			19.38
			19.38
			38.76

Notes:

- (1) Based on 607,983,311 issued Shares (excluding 12,817,648 treasury shares) as at the LPD.
- (2) Based on 838,752,542 enlarged issued Shares (excluding 12,817,648 treasury shares) under the Minimum Scenario.
- (3) Each of the Undertaking Shareholders will receive 76,923,077 free Warrants pursuant to the Undertakings.
- (4) Based on 992,598,696 enlarged issued Shares (excluding 12,817,648 treasury shares) under the Minimum Scenario.

* Less than 0.01%.

The Undertakings would remain subsisting and irrevocable until the completion of the Rights Issue with Warrants. Pursuant to the Undertakings, the Undertaking Shareholders have confirmed that they have sufficient financial means and resources to fulfil their obligations under the Undertakings.

TA Securities has verified the sufficiency of financial resources of the Undertaking Shareholders for the purpose of subscribing for the Rights Shares and Excess Rights Shares pursuant to the Undertakings.

The Undertaking Shareholders have confirmed that:

- (i) their subscription for Rights Shares and excess Rights Shares pursuant to the Undertakings will not give rise to any consequence of mandatory take-over offer obligation under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions immediately after the completion of the Rights Issue with Warrants; and
- (ii) they will observe and comply at all times with the provision of the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

As the Minimum Subscription Level will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining open portion (Rights Shares not undertaken by the Undertaking Shareholders) of up to 1,631,633,646 Rights Shares (representing 87.61% of the total number of 1,862,402,877 Rights Shares under the Maximum Scenario).

The Undertakings are not expected to result in any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company has 12,817,648 treasury shares.

The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:

Particulars	As at the LPD		(I) After the Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants	
	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(3)%
Issued share capital	607,983,311	100.00	838,752,542	100.00	992,598,696	100.00
Less:						
Directors, substantial Shareholders and their associates						
- Hoo Swee Guan	40,000	0.01	115,424,616	13.76	192,347,693	19.38
- Dato' Sri Dr. Pang Chow Huat	48,049,800	7.90	48,049,800	5.73	48,049,800	4.84
- Lai Fook Eng	7,289	*	7,289	*	7,289	*
- Chin Yong Shing	2,916	*	2,916	*	2,916	*
Public shareholding spread	559,883,306	92.09	675,267,921	80.51	752,190,998	75.78

Notes:

(1) Based on the total number of 607,983,311 Shares (excluding 12,817,648 treasury shares) as at the LPD.

(2) Based on the enlarged total number of 838,752,542 Shares (excluding 12,817,648 treasury shares) under the Minimum Scenario.

(3) Based on the enlarged total number of 992,598,696 Shares under the Minimum Scenario and assuming full exercise of the Warrants.

* Less than 0.01%

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4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable the Company to raise funds and channel them towards the utilisation as set out in Section 5 of this Abridged Prospectus.

After due consideration of the various options available, the Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for the Company due to the following reasons:

- (i) it will involve the issuance of new FITTERS Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants subsequently;
- (ii) it provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis; and
- (iii) it will enable the Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants which are attached to the Rights Shares are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at the Exercise Price during the tenure of the Warrants and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants are exercised.

The exercise of the Warrants in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, the exercise of Warrants will increase Shareholders' funds, thereby strengthening the financial position of the Company and providing the Company with flexibility in terms of the options available to meet its funding requirements.

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5. UTILISATION OF PROCEEDS

As disclosed in the Circular, the Rights Issue with Warrants was expected to raise indicative gross proceeds of RM148.99 million under the Maximum Scenario, based on an illustrative issue price of RM0.08 per Rights Share.

Subsequently, on 28 February 2023, the Board had resolved to fix the issue price at RM0.065 per Rights Share. Pursuant thereto, the Rights Issue with Warrants is now expected to raise indicative gross proceeds of RM121.06 million under the Maximum Scenario.

The aforementioned proceeds are intended to be utilised in the following manner:

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	⁽¹⁾ Minimum Scenario		⁽¹⁾ Maximum Scenario	
		(RM'000)	(%)	(RM'000)	(%)
(i) Working capital for the Group's palm oil mill	Within 18 months	15,000	100.00	60,000	49.57
(ii) Repayment of borrowings	Within 18 months	-	-	50,000	41.30
(iii) Funding for the Group's fire services projects	Within 18 months	-	-	10,256	8.47
(iv) Estimated expenses for the Rights Issue with Warrants	Immediate	⁽²⁾ -	-	⁽²⁾ 800	0.66
Total		15,000	100.00	121,056	100.00

Notes:

(1) Any additional proceeds raised in excess of the RM15.00 million under the Minimum Scenario will be allocated up to its respective maximum allocation under the Maximum Scenario in the following order:

- (i) estimated expenses for the Rights Issue with Warrants;
- (ii) working capital for the Group's palm oil mill;
- (iii) repayment of borrowings; and
- (iv) funding for the Group's fire services projects.

(2) Under the Minimum Scenario, the expenses for the Rights Issue with Warrants shall be funded via internal cash balances. Under the Maximum Scenario, if the actual expenses incurred are higher than the allocated amount, the deficit will be funded via the proceeds allocated for funding for the Group's fire services projects. Conversely, any surplus of funds following payment of expenses will be utilised in the order as set out in Note (1) above.

Pending the utilisation of the proceeds from the Rights Issue with Warrants, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments of licenced financial institutions.

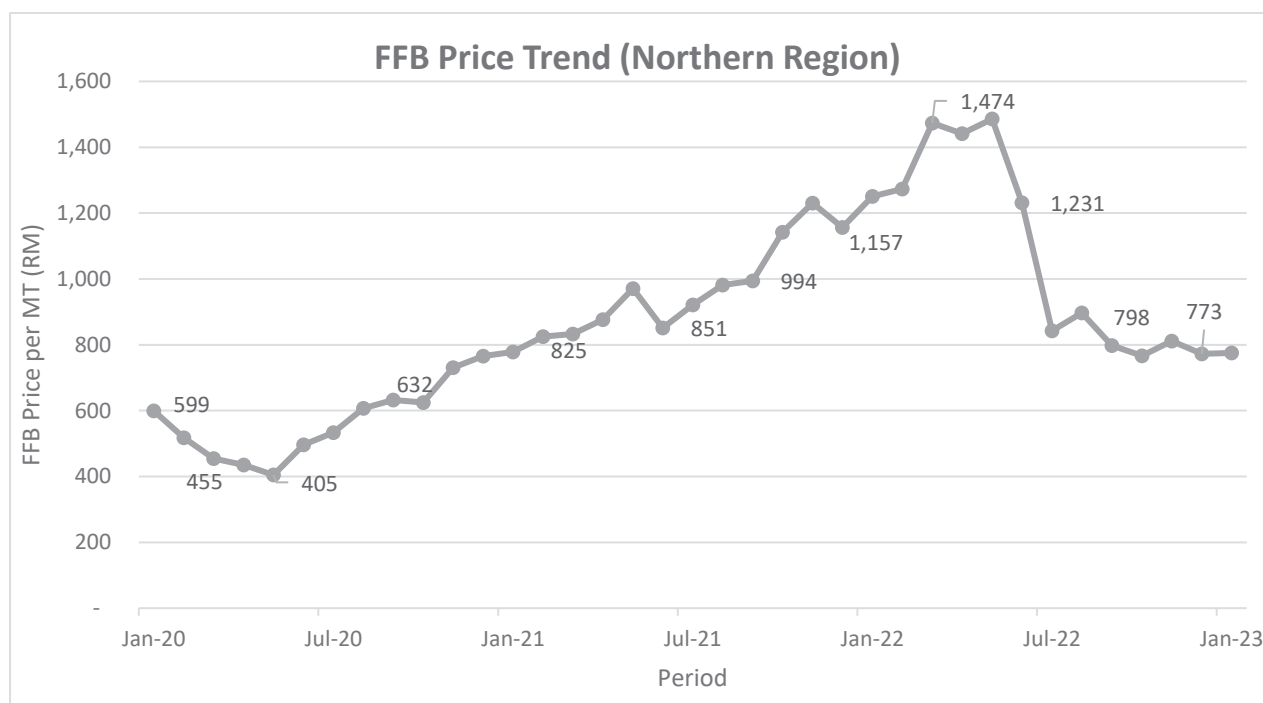
(i) Working capital for the Group’s palm oil mill

Under its renewable and waste-to-energy division, the Group owns and operates a palm oil mill in Kuala Ketil, Kedah with a milling capacity of 60MT per hour. The palm oil mill operations have been the Group’s largest revenue contributor, contributing between 38% to 75% to the Group’s revenue from FYE 31 December 2017 to 15-month FPE 31 March 2022.

The main raw material for the Group’s mill operations is FFB, which constituted approximately 94% of the total cost of renewable & waste-to-energy division for the 15-month FPE 31 March 2022. The Group’s FFB is supplied from surrounding estates, dealers and smallholders. The profitability of the palm oil mill depends on the constant supply of FFB. The Group’s purchase of FFB amounted to approximately RM83.57 million and RM93.78 million for FYE 31 December 2019 and FYE 31 December 2020 respectively. For the 15-month FPE 31 March 2022, the purchase of FFB amounted to approximately RM279.91 million.

The prices of FFB have been volatile but had experienced an overall upward trend in the recent 3 years. The Group’s purchase prices for FFB have surged from RM600 per MT in January 2020 to RM769 per MT in January 2023, representing an increase of 28.17%. This is consistent with the price trends for FFB observed in the Northern region of Peninsular Malaysia, where the Group’s palm oil mill is located. The price of FFB increased from RM599 per MT in January 2020 to RM775 per MT in January 2023 (Source: MPOB). This leads to a higher working capital requirement for the Group’s palm oil mill.

Based on the Group’s past 3-year trend, the Group’s palm oil mill operations would require an average of approximately 19,000 MT of FFB per month. As such, even with the recent decline in FFB price since June 2022 and assuming a purchase price of RM769 per MT (the Group’s purchase price in January 2023), the Group would still require a working capital requirement of at least RM14.60 million per month.



(Source: MPOB)

As such, the Group intends to utilise proceeds of up to RM60.00 million from the Rights Issue with Warrants to fund the working capital for its palm oil mill (i.e. purchase of FFB). Any shortfall between the actual proceeds raised and the Group's funding requirement for the working capital for the Group's palm oil mill shall be funded via its existing cash and bank balances, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

(ii) Repayment of borrowings

The Group intends to utilise proceeds of RM50.00 million (representing 41.30% of the total proceeds to be raised under the Maximum Scenario) for the repayment of the Group's borrowings. As at the LPD, the total outstanding principal amount of the Group's borrowings stood at approximately RM56.84 million, comprising the following:

Types of borrowings	Interest rate per annum	Balance as at the LPD	
	(%)	(RM'000)	(%)
Banker's acceptances ⁽¹⁾	4.26 – 5.29	14,142	24.88
Bank overdrafts ⁽²⁾	7.60 – 7.85	1,697	2.99
Revolving credits ⁽³⁾	4.50 – 6.00	23,995	42.21
Term loans ⁽⁴⁾	5.15 – 8.10	17,006	29.92
Total		56,840	100.00

Notes:

- (1) These borrowings will mature from February to June 2023. They were drawn down within the previous 12 months for working capital purposes.
- (2) These borrowings do not have a fixed maturity date and are repayable on demand. There were no net draw down of these borrowings within the previous 12 months.
- (3) These borrowings do not have a fixed maturity date and are repayable on demand. There were no net draw down of these borrowings within the previous 12 months.
- (4) These borrowings will mature between February 2023 and December 2023. RM9.92 million of these term loans is in relation to a bridging term loan net drawn down within the previous 12 months for the construction work of Taman Putra Phase 2 project which were mainly utilised for development of the said project. RM0.06 million of these term loans has reached its maturity in February 2023 and has been settled by the Company in the same month. Details on the status of the Taman Putra Phase 2 project are set out in Section 7.5 of this Abridged Prospectus. The remaining RM7.09 million of these term loans were used for the purchase of land and machinery.

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In the past, the Group has been financing its business operations mainly via bank borrowings as it was of the view that bank borrowings were an expeditious means of procuring funds to meet its business needs. Nonetheless, the Group has been paring down its borrowings over the past 2 years from RM96.03 million as at 31 December 2019 to RM56.84 million as at the LPD to improve the Group's financial position and its financial performance.

The Group intends to further reduce its borrowings, so as to relieve its burden of having to constantly meet a high principal and interest repayment. Further, the Group may also realise more interest savings by lowering its total borrowings. Based on an average effective interest rate of 5.76% per annum (calculated based on weighted average interest rates per annum of each outstanding borrowing facilities as at the LPD), the repayment of the bank borrowings amounting to RM50.00 million is expected to result in an annual interest savings of approximately RM2.88 million.

The Group has fully utilised the proceeds from the 30% Private Placement earmarked for repayment of borrowings amounting to RM19.97 million as at the LPD, details of which are set out in Section 2.6 of this Abridged Prospectus. Further, the proceeds of RM50.00 million to be raised from the Rights Issue of Warrants will help the Group to substantially pare down the Group's borrowings. This is to improve the Group's financial position (by decreasing the gearing of the Group from 0.18 times as at the LPD to the estimated gearing of 0.02 times upon completion of the Rights Issue with Warrants) and its financial performance (through interest savings). As the Group's overall gearing level decreases, this may potentially allow the Group to have more competitive interest rates for its future bank borrowings.

As at the LPD, the Group has yet to determine the type of borrowings which it will repay and the quantum of such repayment as this will depend on the level of proceeds raised by the Group from the Rights Issue with Warrants. Nonetheless, the Board shall prioritise repayment of bank borrowings with impending maturity followed by the potential interest savings in determining the type of borrowings to be repaid and the quantum of repayment.

Moving forward, the Group may consider other forms of fund-raising including equity fund raising to finance its operations, depending on the capital requirements at the relevant point in time.

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(iii) Funding for the Group's fire services projects

The fire services segment has been the Group's second largest revenue contributor, contributing between 22% to 45% to the Group's revenue from FYE 31 December 2017 to 15-month FPE 31 March 2022. The Group's fire services division is principally involved in the manufacturing, trading and installation of fire safety materials and equipment. These fire safety materials and equipment include, amongst others, fire safety apparel, fire extinguishers and fire-resistant door sets. Over the years, the Group has completed the provision of fire protection and prevention services for projects such as KLCC Lot C, Menara Telekom and Genting Sky Casino and Mall, with a total contract value amounting to RM92.70 million.

In this regard, the Group intends to utilise proceeds of RM10.26 million (representing 8.47% of the total proceeds to be raised under the Maximum Scenario) to fund its engineering projects secured under the fire services division of the Group. Such proceeds are expected to be utilised for, amongst others, security deposit for bank guarantees, purchases of fire protection equipment and parts such as fire pump, alarm panel, water tank, gas suppression systems, labour costs, purchase of raw materials such as pipes and cables as well as miscellaneous site office expenses such as upkeep costs and purchase of office supplies.

As at the LPD, the Group's unbilled order book of engineering projects is approximately RM120.94 million and comprises the following:

Unbilled contract value	No. of contracts	Total contract value (RM'million)	⁽⁴⁾Total unbilled contract value (RM'million)	Contract cost to be incurred (RM'million)	Expected completion date
Over RM10 million ⁽¹⁾	2	40.44	40.36	37.56	From March 2025 to November 2025
Between RM5 million and RM10 million ⁽²⁾	7	58.63	53.33	47.68	From March 2023 to November 2025
Less than RM5 million ⁽³⁾	43	166.87	27.25	24.19	From April 2023 to December 2024
Total		265.94	120.94	109.43	

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Notes:

(1) The details of the secured engineering projects with unbilled contract value of over RM10 million are as follows:

Description of project / Location	Contract value (RM' million)	Unbilled contract value (RM' million)	Contract cost to be incurred (RM' million)	Commencement date	Expected completion date
Sub-contractor for the supply, delivery, installation, testing, commissioning and maintenance of fire protection services in Genting Highlands, Pahang	13.95	13.87	12.56	September 2021	March 2025
Sub-contractor for the supply, delivery, installation, testing, commissioning and maintenance of fire protection services in Bandar Sunway, Selangor	26.49	26.49	25.00	November 2022	November 2025
	40.44	40.36	37.56		

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(2) The details of the secured engineering projects with unbilled contract value between RM5 million and RM10 million are as follows:

Description of project / Location	Contract value (RM' million)	Unbilled contract value (RM' million)	Contract cost to be incurred (RM' million)	Commencement date	Expected completion date
Supply, install, testing, commissioning and maintenance of fire protection services in Gopeng, Perak	9.30	6.23	5.26	March 2022	March 2023
Supply, install, testing, commissioning and maintenance of fire protection services in Jalan Pudu, Kuala Lumpur	6.20	5.21	5.01	August 2021	October 2023
Supply, delivery, installation, testing and commissioning of fire protection system at Jalan Hang Tuah/Jalan Pudu, Kuala Lumpur	5.55	5.41	4.86	January 2020	December 2023
Supply, delivery, installation, testing and commissioning of fire protection system at Cenang, Langkawi	7.90	7.87	6.89	September 2022	October 2025
Supply, delivery, installation, testing and commissioning of fire protection system at Kota Damansara, Selangor	10.45	9.52	8.75	November 2021	August 2024
Supply, delivery, installation, testing and commissioning of fire protection system at Kajang Jernih	9.98	9.84	8.58	October 2022	August 2025
Supply, delivery, installation, testing and commissioning of fire protection system at Kota Damansara, Selangor	9.25	9.25	8.33	November 2022	November 2025
	58.63	53.33	47.68		

- (3) The details of the secured engineering projects with unbilled contract value below RM5 million are not disclosed as they are voluminous and are of lower value.
- (4) The unbilled contract value is expected to be recognised as revenue from the FYE 31 March 2023 up to the respective financial year of the completion of each project.

The exact amount of proceeds to be allocated between these engineering projects cannot be determined at this juncture as it will depend on the ongoing progress of the engineering works, the actual proceeds raised from the Rights Issue with Warrants as well as the suitability and availability of other funding options at the relevant time.

Any surplus proceeds will be utilised for any future engineering projects to be secured by the Group. Conversely, any shortfall will be funded via progress payments to be received, internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

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(iv) Estimated expenses for the Rights Issue with Warrants

The breakdown of the estimated expenses for the Rights Issue with Warrants is illustrated below:

Estimated expenses	Amount	
	(RM'000)	(%)
Professional fees ⁽¹⁾	630	78.75
Fees to relevant authorities	100	12.50
Printing, despatch and advertising expenses	40	5.00
Miscellaneous expenses and contingencies	30	3.75
Total	800	100.00

Note:

- (1) These include advisory fees payable to the Principal Adviser and other professional fees payable to the company secretary, share registrar, solicitors, reporting accountants and independent market researcher in relation to the Rights Issue with Warrants.

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be issued.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants would depend on the actual number of Warrants exercised. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

Utilisation of proceeds to be received from exercise of Warrants

For illustrative purposes, based on the Exercise Price of RM0.070 per Warrant, the Company will raise gross proceeds of up to RM86.91 million upon full exercise of the Warrants under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants in the future will be used to finance the future working capital requirements of the Group, breakdown as follows:

Proposed utilisation	Percentage of proceeds received (%)
(i) Funding for the Group's palm oil mill operations	60.0
(ii) Funding for the Group's fire services division	30.0
(iii) General and administrative expenses	10.0
Total	100.0

Notes:

- (i) The proceeds to be utilised to fund the working capital for the Group's palm oil mill operations are expected to be utilised for, amongst others, purchase of FFB, transportation costs and upkeep of palm oil mill.
- (ii) The proceeds to be utilised to fund the Group's engineering projects secured under the fire services division of the Group are expected to be utilised for, amongst others, security deposit as well as purchases of fire protection equipment and parts.

- (iii) The proceeds to be utilised to fund the Group's remaining working capital requirements are expected to be utilised, amongst others, staff costs, utilities, insurance, upkeep of office and day-to-day operating expenses.

6. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue with Warrants:

6.1 Risks relating to the Group

(i) Fluctuation in price or availability of raw materials

The performance of the Group's palm oil business is affected by, amongst others, fluctuations in commodity and raw materials prices. The CPO prices which vary on a daily basis is subject to the demand and supply conditions in the global oils and fats market, which are beyond the Group's control.

In addition, fluctuations in the prices and supply of raw materials, which include FFB may be affected by factors such as changes in their global supply and demand, the state of the global economy, inflationary pressure and environmental regulations and labour unrest.

Further, any sudden shortage of supply (i.e. due to unexpected events, such as natural disasters, forest fires, weather conditions and/or the COVID-19 pandemic) may also affect the Group's mill operations. Any significant fluctuation in the aforementioned prices and availability of the raw materials may significantly increase the Group's cost of sales, which may adversely affect the Group's profitability.

During the COVID-19 pandemic, the Group experienced shortage of supply of raw materials which led to the fluctuation in the prices of raw materials. The Group could only pass on the increased costs to its customers partially as there were sale orders / contracts signed prior to the COVID-19 pandemic which had taken the older pricing into consideration. The Group's financial performance had been adversely affected in such event, which resulted in a drop in the Group's GP margin from 5.82% in FYE 31 December 2020 to 5.18% in 15-month FPE 31 March 2022.

(ii) Sustainability of order book

The Group's revenue for the fire services division and property development & construction division is largely dependent on the sustainability of the Group's order book, which is in turn affected by the business and economic condition in Malaysia, as well as the Group's ability to tender for the new projects by competing against other competitors in terms of pricing, timely delivery and quality.

As at the LPD, the Group's order book of fire services projects has a balance unbilled contract value of approximately RM120.94 million. All of these projects are expected to be completed over the next 3 years. The Group's property development & construction division consists of only the Taman Putra Phase 2 project which is expected to be fully completed by November 2023.

There is no assurance that the Group's existing projects will not be delayed or terminated and there can also be no certainty that the Group's order book will be continually maintained at such level in the future.

(iii) Availability and cost of labour

The Group's profitability may be affected by an increase in labour cost which will reduce the Group's profit margin in the event that the Group is unable to fully pass on increases in the labour costs to its customers.

The palm oil and fire services industries are labour intensive. The mill operations and fire services projects require extensive manpower to operate. The Group faces difficulty in recruiting local workers and therefore has to resort to the employment of foreign workers. The shortage in foreign workers has been exacerbated in recent years by the increased demand for foreign workers, the border closures arising from COVID-19 and freeze of entry of foreign workers.

As such, the Group is required to comply with the policies imposed by the Government and any future changes to such policies may adversely affect the ability of the Group to employ foreign workers. Although the Group has sought to limit some of these risks, no assurance can be given that any change to these factors will not have a material adverse effect on the Group.

As at the LPD, the Group has yet to resolve shortage of foreign workers due to lengthy process with the relevant authorities in Malaysia and the country where the foreign workers originated. The expected timeframe to obtain the relevant approvals cannot be determined at this juncture due to the current high demand of foreign workers in Malaysia.

(iv) Competition Risk

The Group faces competition from both new entrants and existing competitors in the palm oil and fire services industries. The businesses are competitive due to the presence of other local and international producers for palm oil products as well as other operators involved in supplying fire protection systems. These competitions may affect the Group's revenue and market share, which may in turn affect the financial performance of the Group.

In this respect, the competitors from the palm oil industry are constantly developing more advanced technology and product formulations in order to gain a larger market share and a competitive edge.

In addition, the barriers to entry for new distributors of fire protection equipment are low as they can source products or systems that already have the relevant product certifications obtained by the respective manufacturer or supplier.

As such, the competition that the Group faces may result in, among others, reduction in the prices of the Group's products and thus affecting the Group's profit margins, increase in the Group's marketing activities and thus expenses, and/or loss of business due to competitors' offerings, which may adversely affect the Group's business operations and financial performance. There can be no assurance that the Group will continue to compete effectively in the industries and failure to do so may adversely affect its growth prospects and financial performance.

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(v) Political, economic and regulatory risks

Any adverse developments in the political, economic and regulatory conditions in Malaysia could adversely affect the business operations, prospects and financial performance of the Group.

This may include, but are not limited to, changes in the Government's monetary and fiscal policies, method of taxation, changes in labour law and other regulatory changes that may affect the various businesses of the Group. These factors are generally beyond the Group's control.

Political or regulatory changes may result in cancellation or deferment of certain projects, which in turn may result in the cancellation or delay in awarding the Group's existing and/or future projects. Changes in interest rates or taxes may impact the Group's business operations, financial condition as well as financial performance. Other adverse political situations, including but not limited to, risks of wars / trade wars and/or a switch in political leadership may also affect the financial performance of the Group.

6.2 Risks relating to the Rights Issue with Warrants

(i) Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of the Group and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants.

If you have acquired the Provisional Allotments via the open market, you may not be able to recover your investment cost in the event the Rights Issue with Warrants is terminated or delayed.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants.

In the event the Rights Shares and Warrants have been allotted to the successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable and:

- (i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Rights Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) the Rights Issue with Warrants is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders may only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either:

- (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or
- (b) a solvency statement from the directors.

There can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

(ii) Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which the Company operates in.

In view of the above, there can be no assurance that the Rights Shares (together with any new Shares issued pursuant to the exercise of the Warrants) will trade at or above the TEAP disclosed in Section 2.2 of this Abridged Prospectus after completion of the Rights Issue with Warrants.

The Warrants are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants will be at a level that meets the specific investment objectives or targets of any holder of the Warrants.

(iii) Potential dilution of existing Shareholders' shareholding

Those Entitled Shareholders who do not subscribe for their entitlement of Rights Shares with Warrants under the Rights Issue with Warrants will experience dilution in their existing shareholding in the Company as a result of the issuance of the Rights Shares arising from the subscription by other Entitled Shareholders and/or their transferees and/or their renounees. In addition, the issuance of new Shares arising from the exercise of the Warrants in the future will lead to further such dilution.

Consequently, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that the Company may declare, make or pay after completion of the Rights Issue with Warrants will correspondingly be diluted.

(iv) Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All statements, other than statements of historical data, included in this Abridged Prospectus, including without limitation, those regarding the financial position, risk factors, prospects and future plans of the Group are forward-looking statements.

Such forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and/or other advisers in relation to the Rights Issue with Warrants that the plans and objectives of the Group will be achieved.

7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a growth of 7.0% in the fourth quarter of 2022 compared to 14.2% in the third quarter, as support from the stimulus measures and low base effect waned. At 7.0%, the fourth quarter growth was still above the long-term average of 5.1%. On a quarter-to-quarter seasonally adjusted basis, the economy registered a decline of 2.6% (3Q 2022: 1.9%). For 2022 as a whole, the economy expanded by 8.7% (2021: 3.1%).

Domestic demand grew by 6.8% (3Q 2022: 13.1%), mainly supported by private sector expenditure. Private consumption expanded by 7.4% (3Q 2022: 15.1%), supported by improving labour market conditions and policy measures. Spending was driven by consumption of necessities, particularly for transport as well as housing and utilities, and selected discretionary components such as recreational services and culture. Public consumption grew by 2.4% (3Q 2022: 4.5%), reflecting continued support from Government spending on emolument and supplies and services.

Gross fixed capital formation registered a growth of 8.8% (3Q 2022: 13.1%), supported by capital spending in both the private and public sectors. By type of assets, structures investment grew by 9.9% (3Q 2022: 16.7%), while machinery and equipment and other assets increased by 8.6% (3Q 2022: 10.7%) and 3.0% (3Q 2022: 6.6%) respectively.

Private investment expanded by 10.3% (3Q 2022: 13.2%), driven by continued capital spending across all sectors. Investment in structures was supported by further progress of construction projects, particularly in the non-residential sector. Meanwhile, machinery and equipment investment benefited from firms' capacity expansion amid continued demand.

Public investment grew at 6.0% (3Q 2022: 13.1%), supported mainly by continued capital expenditure by public corporations.

(Source: BNM Quarterly Bulletin Vol. 37, No. 4, the Fourth Quarter of 2022, BNM (10 February 2023))

7.2 Overview and outlook of the Malaysian palm oil industry

The Malaysian palm oil industry continues to drive the country's economic growth as the palm oil market recovers from a disruptive two years of the COVID-19 pandemic from 2020-2021. Despite facing numerous significant challenges at the local and global markets including COVID-19, severe labour shortages, weather uncertainties, environmental concerns, geo-political unrest and changes in trade policies, the market for palm oil remains optimistic for 2023 following expectations of strong palm oil demand from key markets, interests in replenishing stocks to ensure food security and recovery of business activities post COVID-19 on a broader perspective.

The labour shortage in the oil palm plantation sector and production losses due to low yields have curbed the Malaysian palm oil industry from maximising its full potential throughout 2021 and 2022 despite record high prices for palm oil. However, Malaysia witnessed a moderate recovery in palm oil production with the opening of the Malaysian borders and measures taken by the Government to facilitate the entry of foreign workers which have improved the critical labour situation. Therefore, the Malaysian oil palm industry is expected to reduce production losses and contribute to further increase in palm oil production in 2023.

The Malaysian oil palm industry continues to take leadership roles in undertaking continuous improvements in oil palm cultivation and palm oil processing aimed at making palm oil production more sustainable and environmentally friendly by adopting initiatives, including the introduction of the Malaysian Sustainable Palm Oil Certification (MSPO) which was made mandatory on 1 January 2020. The MSPO certification is an important measure taken by the Government to ensure that the value of Malaysian palm oil and palm products are further enhanced and gain continuous global access and acceptance at the vegetable oils market.

Malaysia will continue to position its palm oil industry as a leader in sustainability. MSPO certification programmes will be intensified with continuous support from the Ministry of Plantations and Commodities (MPIC) and related stakeholders to ensure full adoption of sustainability requirements among smallholders. As of 30 September 2022, MSPO certification has reached 98 % or 5.64 million hectares of the 5.74 million hectares of oil palm planted areas in Malaysia and 99 % or 461 of the 466 mills in the country have been certified under the MSPO. It is hoped that with the revision of the MSPO standard which covers sustainable management as well as supply chain requirements, the sustainable palm oil production across the board will gain consumers' confidence and facilitate the Malaysian palm oil trade in the international markets and subsequently increase its market competitiveness in the long run.

The global demand for palm oil is rising in tandem with the recovery of all economic sectors, boosted by increased consumption in importing countries both for food and non-food industry. Furthermore, demand remains supported by palm oil's price competitiveness vis-à-vis other competing vegetable oils and the pervasively weaker Malaysian Ringgit against the US Dollar. Palm oil has become the preferred edible oil, owing to its attractive prices and versatile applications in a wide range of products. The expansion and diversification of the oil palm industry as well as exploring market-specific applications of palm products, will increase the country's current share of the global market for palm oil products. The ongoing investment by palm oil players in palm-based oleochemicals and more value-added products will provide new growth opportunities for the oil palm sector.

The Malaysian oil palm industry has a promising future as the world's population and the global demand for vegetable oils are on the rise. Despite facing the challenges of a global economic slowdown amid rising interest rates and recession fears predicted in 2023, the overall market for the Malaysian palm oil is expected to remain robust. As the global economy is gradually opening up again, we anticipate a better performance supported by the improvement in production, competitive prices and strong demand from key export destinations.

(Source: Speech by YAB Dato' Sri Haji Fadillah Bin Haji Yusof, Deputy Prime Minister and Minister of Plantation and Commodities Palm Oil at economic review and outlook seminar held on 12 January 2023)

The agriculture sector registered a contraction of 1.2% in the first half of 2022 attributed to lower output in most subsectors due to prolonged labour shortage. Nevertheless, the sector is projected to turn around by 1.3% in the second half of the year supported by improvement in CPO production following expectation of an increase in mature planted areas and improvement in labour market. In addition, a rise in output of the livestock and other agriculture subsectors is expected to provide further impetus to the sector's performance. However, growth of the rubber subsector is forecast to remain negative following anticipation of decreased tapping activity towards end of the year due to unfavourable weather conditions as well as low demand for natural rubber from China due to lockdowns in certain cities following zero-COVID policy. For the year, the agriculture sector is estimated to turn around by 0.1%, supported by positive growth in the oil palm, livestock and fishing subsectors.

(Source: Economic Outlook 2023, Ministry of Finance (24 February 2023))

7.3 Overview and outlook of the Malaysian fire protection equipment industry

Fire protection equipment is one of the most crucial systems required to be installed in any building or establishment. They are used to detect, control and safeguard building occupants from fire hazards. These equipment assist to extinguish fires and alert the building occupants, reducing the loss of lives and properties. The fire protection equipment industry can be segmented into fire detection equipment and fire suppression equipment.

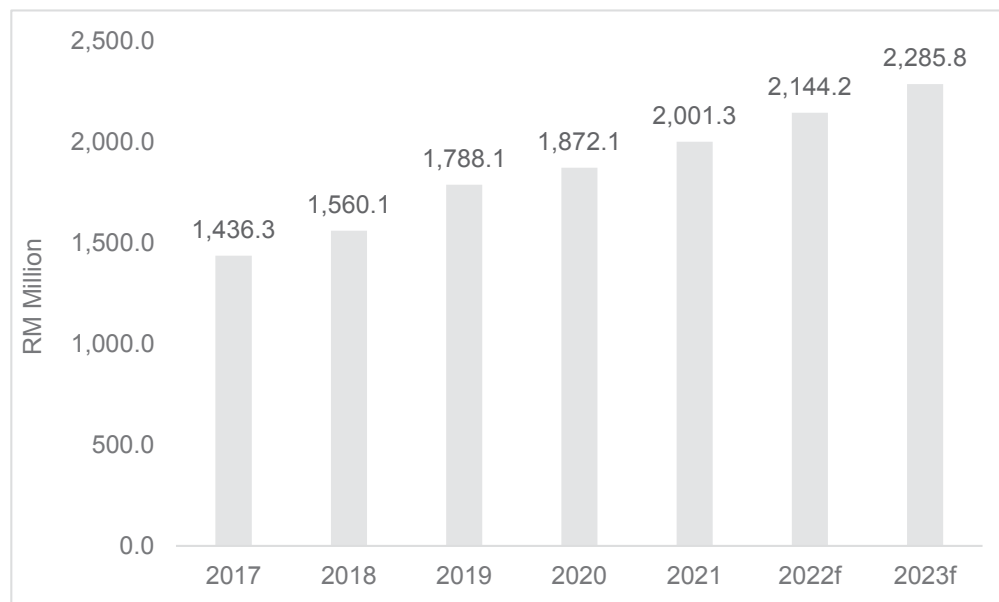
Under the Fire Services Act, 1988, building owners or building managements are responsible for the safety of occupants. The Uniform Building By-Laws, 1984 also has clear guidelines and requirements on building safety that architects, property developers and homeowners must comply with to ensure that the buildings fulfil fire safety requirements.

The supply of purpose-built offices and shopping complexes will drive the demand for the installation of fire protection equipment, as well as their subsequent replacements or replenishments, due to wear and tear. The floor space of purpose-built offices expanded from 21.5 million square metres in 2017 to 23.9 million square metres in 2021, recording a compounded annual growth rate (“CAGR”) of 2.8%. In the case of shopping complexes, they increased from 15.5 million square metres to 17.3 million square metres, registering a CAGR of 2.7% over the same period.

Due to the increasing population, the stock of apartments/condominiums expanded by a CAGR of 5.0% between 2017 and 2021, from 808,743 units to 982,955 units. Rising industrialisation has led to the establishments of numerous industrial factories and warehouses in the country, which rose from 113,173 units in 2017 to 119,288 units in 2021, yielding a CAGR of 1.3% during the period.

The average annual number of fire cases amounted to 38,320 between 2017 and 2021 in Malaysia. During the period, the average annual number of deaths caused by fires was registered at 116 persons between 2017 and 2021. However, the number of injuries was recorded at a higher average annual figure of 414 persons.

Figure 1: Market for Fire Protection Equipment (RM Million)



Note:
f = forecast

(Source: Infobusiness)

The market size for fire protection equipment in Malaysia increased by 6.9% to RM2.00 billion in 2021, from RM1.87 billion in 2020. It is projected to further increase to RM2.14 billion in 2022 and RM2.29 billion in 2023, representing increases of 7.1% and 6.6%, respectively.

Increasing urbanisation is anticipated to be another major cause of fires in the coming years as more people populate urban areas for better education and job opportunities. The urbanisation rate in Malaysia increased from 74.3% in 2015 to 77.2% in 2020 (source: Twelfth Malaysia Plan 2021-2025). This is anticipated to further increase to 79.8% in 2025 (source: Ministry of Local Government Development). As a result, more offices and factories, education and healthcare buildings, along with residential homes, will be built in the country in line with an expanding population.

Another phenomenon alongside urbanisation is building densification, which is experienced in both planned and unplanned settlements in urban areas, as smaller parcels of urban land are also being developed. Such densification limits the access of fire fighters and increases fire disaster risks. Due to the close proximity of buildings, the spread of fires will continue to be an ongoing risk.

High rise buildings are susceptible to fire safety risks such as extended evacuation time, water supply limitations and heights beyond the reach of fire engine ladders (most fire engine ladders can only reach to a height of 18 metres). This calls for the installation of more fire protection equipment, such as sprinklers, fire doors, smoke detectors, etc. The scarcity of land (especially in urban areas) will see the construction of more high-rise buildings and this will eventually lead to the requirement for more fire protection equipment.

Owing to the need to reduce accommodation expenses, many of the urban dwellers tend to stay in overcrowded houses and share a limited amount of electrical power points. This also include the substantial numbers of foreign workers working and residing in the urban areas. Under such circumstances, the plugging of too many electrical appliances into a single power point may cause electricity overloads and short circuits and poses the risk of fires. Further, a rising population will result in more electrical equipment being used at homes, offices and factories. Heavy usage electrical appliances such as air conditioner condensers, refrigerators and clothes dryers without adequate ventilation will also increases the risk of fires.

The industrialisation process in the country is expected to continue as it plays a key role in the economy. However, the establishment of more factories and warehouses may generate higher fire disaster risks, as a wide range of combustible materials are present in such spaces, such as flammable liquids and gases, chemicals, paper packaging and waste products, as well as food products with high oil contents. All the factors above will inevitably call for the need for better and more fire protection equipment.

(Source: IMR report dated 21 February 2023 prepared by Infobusiness)

7.4 Overview and outlook of the Malaysian construction industry

The construction sector rebounded by 5% in 2022, mainly attributed to the positive performance of non-residential buildings and specialised construction activities subsectors. The increasing demand for industrial buildings was supported by the improvement in private investment and robust domestic economic activities. The acceleration of infrastructure projects such as East Coast Rail Link (ECRL) and Rapid Transit System (RTS) Link also support the sector's performance.

In addition, the development of residential property remains active which boded well with the implementation of measures under the Budget 2022, including a total government guarantee of up to RM2 billion via Skim Jaminan Kredit Perumahan (SJKP) as well as housing projects for low-income group with an allocation of RM1.5 billion.

The construction sector is anticipated to increase by 6.1 % in 2023 with all subsectors recording a better performance. The implementation of new projects such as upgrading the Klang Valley Double Track (KVDT) Phase 2 and acceleration of ongoing infrastructure projects which include ECRL, LRT3 and fifth-generation cellular network (5G) rollout will spearhead the civil engineering subsector. In addition, the approved investment for projects in the manufacturing sector is anticipated to come on stream and subsequently create a greater demand for non-residential buildings. Activities in the residential buildings subsector are projected to grow steadily, supported by an increase in the supply of affordable houses in line with the 12MP strategy. In addition, continuous i-MILIKI incentive to encourage home ownership is expected to spur demand for residential buildings.

(Source: Economic & Fiscal Outlook and Federal Government Revenue Estimates 2023, Ministry of Finance (24 February 2023))

7.5 Prospects and future plans of the Group

FITTERS Group is mainly involved in (i) provision of fire protection and prevention services; (ii) property development and construction; and (iii) renewable and waste-to-energy (consisting palm oil mill operations and waste treatment operations).

The palm oil mill operations have been the Group's largest revenue contributor, contributing between 38% to 75% to the Group's revenue from FYE 31 December 2017 to 15-month FPE 31 March 2022. The Group's palm oil mill business has continued to operate throughout the COVID-19 pandemic. The palm oil mill has also received and processed higher crops in the 9-month FPE 31 December 2022 due to better crop season. To illustrate, the palm oil mill has received and processed 219,476 MT of crops in 9-month FPE 31 December 2022 as compared to 182,620 MT of crops in the previous corresponding period. The Board and management are of the view that the business operations of its palm oil mill will continue to thrive as the demand for CPO remains high in Malaysia.

The fire services division has been the Group's second largest revenue contributor, contributing between 22% to 45% to the Group's revenue from FYE 31 December 2017 to 15-month FPE 31 March 2022. Under this division, the Group has completed the provision of fire protection and prevention services for projects such as KLCC Lot C, Menara Telekom and Genting Sky Casino and Mall, with a total contract value amounting to RM92.70 million. This division is dependent on contracting services and construction activities. The projects under this division were delayed since 2021 due to the MCO imposed by the Government of Malaysia.

Following thereto, the division is striving to catch up on its order book and work progress which has also reflected in the revenue contribution from RM98.12 million for the FYE 31 December 2020 to RM141.03 million for the 15-month FPE 31 March 2022 (annualised: RM112.82 million). Details of the unbilled order book of engineering projects under the fire services division are set out in Section 5(iii) of this Abridged Prospectus.

The Group has resolved to undertake the Rights Issue with Warrants to raise the necessary funds to be used as working capital for its palm oil mill and project costs for its fire services division. In addition, part of the proceeds from the Rights Issue with Warrants will also be utilised for the repayment of the Group's borrowings, thereby reducing the gearing of the Group and improve its financial position.

The property development and construction division has been contributing between 3% to 25% to the Group's revenue from FYE 31 December 2017 to 15-month FPE 31 March 2022. Under this division, the Group has been awarded a project management and construction project valued at RM97.8 million by Pencala Jaya Sdn Bhd in Taman Putra on December 2015 to construct 2-storey and 3-storey terrace houses, of which the Group is the main contractor. Phase 1 of the construction has been completed in July 2020. Following this, the Company has been awarded a RM81.5 million contract on August 2017 as a continuation of the second phase of the same project as the main contractor.

As at the LPD, the earth work for Phase 2 has been completed. The main building work is still ongoing with approximately 61% of the construction works completed. Phase 2 is expected to be fully completed by November 2023 following the extension of time granted by the developer.

Premised on the above and after having considered all the relevant aspects including the overview and outlook of the palm oil industry and fire protection equipment industry in Malaysia as set out in Sections 7.2 and 7.3 respectively as well as the overview and outlook of the construction industry in Malaysia as set out in Section 7.4, the management is cautiously optimistic about the Group's future prospects.

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8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD (excluding treasury shares)	607,983,311	258,245,023	607,983,311	258,245,023
Assuming all the treasury shares are resold in the open market	-	-	12,817,648	⁽¹⁾ 1,217,677
Enlarged issued share capital assuming all the treasury shares are resold in the open market	607,983,311	258,245,023	620,800,959	259,462,700
New Shares to be issued pursuant to the Rights Issue with Warrants	230,769,231	⁽²⁾ 10,555,556	1,862,402,877	⁽²⁾ 85,187,687
New Shares to be issued assuming full exercise of the Warrants	153,846,154	⁽³⁾ 15,213,675	1,241,601,918	⁽³⁾ 122,780,634
Enlarged issued share capital after the Rights Issue with Warrants	992,598,696	284,014,254	3,724,805,754	467,431,021

Notes:

- (1) Assuming all the treasury shares are resold in the open market based on the closing price of RM0.095 as at the LPD.
- (2) Based on the issue price of RM0.065 per Rights Share and after accounting for the creation of warrant reserve (a reserve created arising from the fair value of the warrants upon issuance of warrants).
- (3) Based on the Exercise Price of RM0.070 per Warrant and after accounting for the reversal of warrant reserve.

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8.2 NA and gearing

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of the Group since the Group's latest unaudited financial statements as at 31 December 2022.

The pro forma effects of the Rights Issue with Warrants on the NA and gearing of the Group are as follows:

Minimum Scenario

	Unaudited as at 31 December 2022 (RM'000)	(1) ⁽¹⁾⁽²⁾⁽⁴⁾ After the Rights Issue with Warrants (RM'000)	(II) ⁽³⁾ After (I) and assuming full exercise of Warrants (RM'000)
Share capital	262,157	272,713	287,926
Treasury shares	(3,912)	(3,912)	(3,912)
Other reserves	35,799	35,799	35,799
Warrants reserves	-	4,444	-
Retained earnings	31,065	30,265	30,265
Shareholders' equity / NA	325,109	339,309	350,078
Non-controlling interests	556	556	556
Total equity	325,665	339,865	350,634
No. of Shares in issue (excluding treasury shares) ('000)	607,983	838,753	992,599
NA per Share (RM)	0.53	0.40	0.35
Total borrowings (RM'000)	57,856	57,856	57,856
Gearing (times)	0.18	0.17	0.17

Notes:

- (1) Based on the issuance of 230,769,231 Rights Shares at an issue price of RM0.065 each together with 153,846,154 Warrants.
- (2) After accounting for the creation of warrant reserve based on the issuance of 153,846,154 Warrants at an allocated fair value of RM0.060 per Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg).
- (3) Based on the Exercise Price of RM0.070 per Warrant and after accounting for the reversal of warrant reserve.
- (4) After accounting for estimated expenses incidental to the Rights Issue with Warrants of RM0.80 million.

Maximum Scenario

	Unaudited as at 31 December 2022 (RM'000)	(I) (1)(2)(3)(5) After Rights Issue with Warrants (RM'000)	(II) (4) After (I) and assuming full exercise of Warrants (RM'000)
Share capital	262,157	344,650	467,431
Treasury shares	(3,912)	-	-
Other reserves	35,799	35,799	35,799
Warrants reserves	-	35,869	-
Retained earnings	31,065	30,265	30,265
Shareholders' equity / NA	325,109	446,583	533,495
Non-controlling interests	556	556	556
Total equity	325,665	447,139	534,051
No. of Shares in issue (excluding treasury shares) ('000)	607,983	2,483,204	3,724,806
NA per Share (RM)	0.53	0.18	0.14
Total borrowings (RM'000)	57,856	7,856	7,856
Gearing (times)	0.18	0.02	0.01

Notes:

- (1) Assuming all the treasury shares are resold in the open market based on the closing price of RM0.095 as at the LPD.
- (2) Based on the issuance of 1,862,402,877 Rights Shares at an issue price of RM0.065 each together with 1,241,601,918 Warrants.
- (3) After accounting for the creation of warrant reserve based on the issuance of 1,241,601,918 Warrants at an allocated fair value of RM0.060 per Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg).
- (4) Based on the Exercise Price of RM0.070 per Warrant and after accounting for the reversal of warrant reserve.
- (5) After accounting for estimated expenses incidental to the Rights Issue with Warrants of RM0.80 million and repayment of borrowing of RM50.00 million.

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8.3 Substantial Shareholders' shareholdings

The pro forma effects of the Rights Issue with Warrants on the substantial Shareholders' shareholding in the Company based on the Record of Depositors of the Company as at the LPD are as follows:

Minimum Scenario

Substantial Shareholders	As at the LPD			(i) After the Rights Issue with Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(1)%		No. of Shares	(2)%	
Dato' Sri Dr Pang Chow Huat	48,049,800	7.90	-	48,049,800	5.73	-
Hoo Swee Guan ⁽⁴⁾	40,000	0.01	-	115,424,616	13.76	-
Tan Li Sin ⁽⁴⁾	10,000	*	-	115,394,615	13.76	-

Substantial Shareholders	(ii) After (i) and assuming full exercise of the Warrants		
	Direct		Indirect
	No. of Shares	(3)%	
Dato' Sri Dr Pang Chow Huat	48,049,800	4.84	-
Hoo Swee Guan ⁽⁴⁾	192,347,693	19.38	-
Tan Li Sin ⁽⁴⁾	192,317,692	19.38	-

Notes:

- (1) Based on 607,983,311 issued Shares (excluding 12,817,648 treasury shares) as at the LPD.
- (2) Based on the enlarged issued Shares (excluding treasury shares) of 838,752,542.
- (3) Based on the enlarged issued Shares (excluding treasury shares) of 992,598,696.
- (4) He/she is not a substantial shareholder as at the LPD.

* Less than 0.01%.

Maximum Scenario

Substantial Shareholder	As at the LPD			(I) Assuming all the treasury shares are resold		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(¹)%	No. of Shares	(¹)%	No. of Shares	(²)%
Dato' Sri Dr Pang Chow Huat	48,049,800	7.90	-	-	48,049,800	7.74

Substantial Shareholder	(II) After (I) and the Rights Issue with Warrants			(III) After (II) and assuming full exercise of the Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(³)%	No. of Shares	(³)%	No. of Shares	(⁴)%
Dato' Sri Dr Pang Chow Huat	192,199,200	7.74	-	-	288,298,800	7.74

Notes:

- (1) Based on 607,983,311 issued Shares (excluding 12,817,648 treasury shares) as at the LPD.
- (2) Based on the enlarged issued Shares of 620,800,959.
- (3) Based on the enlarged issued Shares of 2,483,203,836.
- (4) Based on the enlarged issued Shares of 3,724,805,754.

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8.4 Losses and LPS

The potential effects of the Rights Issue with Warrants on the future consolidated earnings / losses of the Company will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants as set out in Section 5 of this Abridged Prospectus.

For illustration, the pro forma effects of the Rights Issue with Warrants on the consolidated losses and LPS of the Company are as follows:

	Unaudited 9-month FPE 31 December 2022	(I)		(II)	
		After the Rights Issue with Warrants		After (I) and assuming full exercise of the Warrants	
		Minimum Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario
LAT attributable to owners of the Company (RM'000)	(40,798)	(1)(41,598)	(1)(41,598)	(1)(41,598)	(1)(41,598)
Weighted average number of Shares ('000)	607,983	838,753	2,470,386	992,599	3,711,988
LPS (sen)	(6.71)	(4.96)	(1.68)	(4.19)	(1.12)

Note:

(1) After accounting for estimated expenses incidental to the Rights Issue with Warrants of RM0.80 million.

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9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital and sources of liquidity

The Group's working capital is funded through the progressive billings to be received, the Group's existing cash and bank balances, credit extended by suppliers, bank borrowings as well as the proceeds from the issuance of equity securities.

As at the LPD, the Group's cash and bank balances (including fixed deposit pledged with licensed bank and short-term investments of RM49.14 million) stood at RM60.20 million.

Apart from the sources of liquidity described above, the Group does not have access to other material unused sources of liquidity as at the LPD.

The Board confirmed that, after taking into consideration the Group's existing cash and bank balances, the banking facilities available to the Group, future collections from customers and the proceeds to be raised from the Rights Issue with Warrants, the Group has sufficient working capital for its current level of operations for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, the Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are set out as follows:

Borrowings	Total (RM'000)
<u>Short term borrowing (secured)</u>	
- Banker's acceptances	14,142
- Bank overdrafts	1,697
- Revolving credits	23,995
- Term loans	16,506
<u>Long term borrowing (secured)</u>	
- Term loans	500
Total	56,840

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

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9.4 Material commitments

Save as disclosed below, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group as the LPD.

Capital expenditure	RM'000
Approved and contracted for the upgrading of air pollution control system	2,971

Note:

(1) This will be funded via the Company's existing cash and bank balances.

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE / TRANSFER AND EXCESS APPLICATION

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants Applications and the procedures to be followed should you and/or your transferee(s) and/or your renounee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renounee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

10.1 General

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares with Warrants.

If you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants that have been provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants, if you choose to do so.

Full instructions for the acceptance of and payment for the Rights Shares with Warrants provisionally allotted to you and/or your renounee(s) and/or transferee(s) (if applicable) and the procedures to be followed are set out in this Abridged Prospectus and the accompanying RSF. You are advised to read this Abridged Prospectus, the RSF and the notes and instructions contained in the documents carefully.

Acceptances which do not strictly conform to the terms and conditions as well as the notes and instructions contained herein, or which may be illegible may not be accepted at the absolute discretion of your Board.

10.2 Last time and date for acceptance and payment

The last time and date for acceptance and payment for the Provisional Allotments and Excess Rights Shares with Warrants is at 5.00 p.m. on **Monday, 3 April 2023**. The Group will make the relevant announcements in relation to the subscription rate of the Rights Issue with Warrants within 5 Market Days after the Closing Date.

10.3 Methods of application

You may subscribe for such number of Rights Shares with Warrants that you have been provisionally allotted as well as apply for Excess Rights Shares with Warrants, if you so choose, using either of the following methods:

<u>Method of application</u>	<u>Category of Entitled Shareholders</u>
RSF ⁽¹⁾	All Entitled Shareholders
e-Subscription ⁽²⁾	All Entitled Shareholders

10.4 Procedures for acceptance and payment

10.4.1 By way of RSF

If you wish to accept the Provisional Allotments, either in full or in part, please complete **Parts I(A) and II** of the RSF strictly in accordance with the notes and instructions contained in the RSF. Send each completed and signed RSF with the relevant payment in the reply envelope enclosed with this Abridged Prospectus, by the mode of despatch of your choice (at your own risk) to the Share Registrar at the following address:

Sectrars Management Sdn Bhd (Registration No. 201501002558 (1127890-P))

Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03 – 2276 6138
Fax No.: 03 – 2276 6131

and should reach the Share Registrar not later than **5.00 p.m. on Monday, 3 April 2023**, being the Closing Date.

If you have lost, misplaced or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, the Share Registrar at the address stated above, the registered office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

You must use 1 RSF for the acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of the Provisional Allotments standing to the credit of more than 1 CDS Account. The Rights Shares with Warrants accepted by you in accordance with the notes and instructions contained in the RSF will be credited into the respective CDS Accounts where the Provisional Allotments is standing to the credit.

The minimum number of Rights Shares that can be accepted is 1 Rights Share. You should take note that a trading board lot for the Rights Shares and Warrants comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given free Warrants on the basis of 2 Warrants for every 3 Rights Shares successfully subscribed for. Fractions of a Rights Share with Warrant, if any, will be disregarded and will be dealt with in such manner and on such terms and conditions as your Board, in its absolute discretion deem fit or expedient or in the best interest of the Company.

Each completed RSF must be accompanied by the appropriate remittance made in RM for the FULL and EXACT amount payable for the Provisional Allotments accepted, in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "**FITTERS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letters, contact number and CDS Account number to be received by the Share Registrar by the Closing Date. The payment must be made for the FULL and EXACT amount payable for the Provisional Allotments accepted. Applications accompanied by payment other than in the manner stated above or with excess or insufficient payment may be rejected at the absolute discretion of your Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

If the acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part) are not received by the Share Registrar by **5.00 p.m. on Monday, 3 April 2023**, the provisional entitlement to you will be deemed to have been declined and will be cancelled. Your Board will then have the right to allot such Rights Shares with Warrants not taken up or not validly taken up to applicants applying for the Excess Rights Shares with Warrants in the manner as set out in Section 10.6 of this Abridged Prospectus.

You should note that all RSFs lodged with the Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Applications for Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Your Board reserves the right not to accept any Rights Shares with Warrants application, in full or in part.

Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. No acknowledgment of receipt of the RSF or application monies in respect of the Rights Shares with Warrants will be made by our Company or our Share Registrar. However, successful applicants will be allotted with their Rights Shares with Warrants, and notice of allotment will be issued and despatched by ordinary post to them or their renounce(s)/transferee(s) (if applicable) at their own risk to the address shown in the Record of Depositors within eight (8) market days from the last date for acceptance and payment for the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

Where an application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest. The refund will be credited into your bank account registered with Bursa Depository or by issuance of cheque and shall be despatched to the applicants within fifteen (15) market days from the last date for acceptance and payment for the Rights Shares with Warrants by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at the applicant's own risk.

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10.4.2 By way of e-Subscription

If you are an Entitled Shareholder, the e-NPA and e-RSF are available to you upon your login to “Sectrars Online” portal at <https://www.sectrars.my>. You are advised to read instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is only available to Entitled Shareholders who are individual. Corporate or institutional Entitled Shareholders will have to complete the RSF for the Rights Issue with Warrants as set out in Section 10.4.1 above.

Individual registered Entitled Shareholder who wish to subscribe for the Provisional Allotments and apply for Excess Rights Shares with Warrants by way of e-Subscription shall take note of the following:-

- (i) any e-Subscription received by the Share Registrar after the Closing Date shall be regarded as null and void and of no legal effect unless the Board in its absolute discretion determines otherwise;
- (ii) you may choose to subscribe for the Rights Shares with Warrants which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus. Any verified as valid e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;
- (iii) the e-Subscription made must be in accordance with the procedures of submitting using “Sectrars Online” portal, terms and conditions of e-Subscription, this Abridged Prospectus and e-RSF. Any e-Subscription that does not conform to the terms and conditions of “Sectrars Online”, this Abridged Prospectus and e-RSF may not be accepted at the sole discretion of our board. Our board reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- (iv) the number of Rights Shares you are entitled to under the Rights Issue is set out in the e-NPA/e-RSF. You are required to indicate the number of Rights Shares you wish to accept and number of Excess Rights Shares you wish to apply in the e-RSF;
- (v) each subscription of e-RSF must be accompanied by the remittance in RM which is to be made to the bank account as follows:-

(a) Acceptance of Rights Shares with Warrants

Name of account	FITTERS RIGHTS ISSUE ACCOUNT
Name of bank	Maybank Islamic Berhad
Bank account no.	564203522534

(b) Application of Excess Rights Shares with Warrants

Name of account	FITTERS EXCESS RIGHTS ISSUE ACCOUNT
Name of bank	Maybank Islamic Berhad
Bank account no.	564203522557

- (c) You are required to pay an additional fee of RM15.00 being stamp duty and handling fee for each e-subscription per CDS account into the Company’s Share Registrar’s bank as follows:

Name of account	SECTRARS MANAGEMENT SDN BHD
Name of bank	CIMB BANK BERHAD
Bank account no.	8602189076

Procedures to make e-Subscription

All Entitled Shareholders who wish to opt for e-Subscription, please read and follow the procedures as below:-

	Procedures	Action
1	Sign up as user of Sctrars Online	<ol style="list-style-type: none"> 1. Access to Sctrars Online at https://www.sectrars.my 2. Click on [Sign up] to register as a new user of Sctrars Online. 3. Complete registration and upload softcopy of Malaysian Identification card (front and back) or passport. <p>You will be notified via email once your user registration is accepted/rejected by Sctrars Online.</p>
2	Submission of e-RSF	<ol style="list-style-type: none"> 1. Login to Sctrars Online at https://www.sectrars.my with your user ID (i.e. email address) and password. 2. Select "Corporate Exercise" from the main menu and click on "Rights Issue". 3. Find the corporate exercise name: FITTERS DIVERSIFIED BERHAD - RIGHTS ISSUE, and click on "View NPA/RSF". 4. Review relevant e-NPA and click on "Subscribe Now" button to view e-RSF. 5. Insert the number of Rights Shares to subscribe and the number of Excess Rights Shares to apply (if applicable) in the e-RSF. 6. Review and confirm the number of Rights Shares subscribing and Excess Rights Shares applying (if applicable) and the amount payable for Rights Shares and Excess Rights Shares (if applicable). 7. Upload proof of payments supporting documents, read and agree to the terms and conditions. 8. Proceed to submit once you have ensured all information is correct and in place.

If you encounter any problems during the registration or submission, please email to our Share Registrar at sectrarsmg@gmail.com or call at +603 2276 6138/ 6139/ 6130 for assistance.

Terms and Conditions of e-Subscription

The e-Subscription of Rights Shares and Excess Rights Shares (if successful) shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions appearing herein:

- (i) After login to Sctrars Online, you are required to confirm and declare the following information given are true and correct:
 - (a) you have attained 18 years of age as at the last day for subscription and payment;
 - (b) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at <https://www.bursamalaysia.com>, the contents of which you have read and understood; and

- (c) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in Section 6 of this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (ii) you agree and undertake to subscribe for and to accept the number of Rights Shares and Excess Rights Shares applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares that may be allotted to you;
- (iii) by making and completing your e-Subscription, you, if successful, request and authorise our Share Registrar or our Company to credit the Rights Shares allotted to you into your CDS Account;
- (iv) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:
 - (a) our Company or our Share Registrar does not receive your e-Subscription; or
 - (b) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or our Share Registrar for the Rights Shares subscribed and/or Excess Rights Shares applied for or for any compensation, loss or damage relating to the e-Subscription;
- (v) you will ensure that your personal particulars recorded with Sctrars Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected;
- (vi) you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository;
- (vii) by making and completing an e-Subscription, you agree that:-
 - (a) in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional Allotment and Excess Rights Shares applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (b) our Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our Company's control;
- (viii) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and
- (ix) notification on the outcome of your e-Subscription for the Rights Shares and Excess Rights Shares will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:
- (x) successful application - a notice of allotment will be despatched within eight (8) Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities; or

- (xi) unsuccessful/partially successful application - the full amount or the balance of the application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the Closing Date.

The refund will be credited into your bank registered with Bursa Depository for the purpose of cash dividend/distribution. If you have not registered such bank account with Bursa Depository, the refund will be made by issuance of cheque and shall be despatched to you by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

10.5 Procedures for the sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer, all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement in the open market or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Allotments, you are not required to deliver any document, including the RSF, to any stockbroker. You are however advised to ensure that you have sufficient number of Provisional Allotments standing to the credit of your CDS Account before selling or transferring.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments not sold or transferred, in accordance with the instructions as set out in Section 10.4 of this Abridged Prospectus.

10.6 Procedures for application for the Excess Rights Shares with Warrants

It is the intention of your Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants in the following order of priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, taking into consideration their respective shareholding as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares with Warrants applied for; and
- (iv) lastly, on a pro-rata basis and in board lot to the renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any balance Excess Rights Shares with Warrants after steps (i) to (iv) are carried out, steps (ii) to (iv) will be repeated to allocate the balance Excess Rights Shares with Warrants.

Nevertheless, your Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient, and in the best interest of the Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of your Board as set out in (i) to (iv) above is achieved. Your Board also reserves the right to accept any application for the Excess Rights Shares with Warrants, in full or in part.

10.6.1 By way of RSF

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Allotments, you may apply for the Excess Rights Shares with Warrants in addition to your Provisional Allotments. If you wish to do so, please complete **Part I(B)** of the RSF (in addition to **Parts I(A) and II**) and forward it (together with a **separate remittance** made in RM for the FULL and EXACT amount payable in respect of the Excess Rights Shares with Warrants applied for) to the Share Registrar at the address as set out in Section 10.4.1 of this Abridged Prospectus, so as to **arrive not later than 5.00 p.m. on Monday, 3 April 2023**, being the Closing Date.

Payment for the Excess Rights Shares with Warrants applied for should be made in the same manner described in Section 10.4.1 of this Abridged Prospectus, except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia be made payable to "**FITTERS EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letters, contact number and CDS Account number to be received by the Share Registrar by the Closing Date. The payment must be made for the FULL and EXACT amount payable for the Excess Rights Shares with Warrants applied for. Applications accompanied by payment other than in the manner stated above or with excess or insufficient payment may be rejected at the absolute discretion of your Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

The minimum number of Excess Rights Shares with Warrants that can be applied for is 1 Excess Rights Share. You should take note that a trading board lot for the Rights Shares with Warrants comprise 100 Shares and 100 Warrants respectively.

You should note that all RSFs lodged with the Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Applications for Excess Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Your Board reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part.

Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. No acknowledgment of receipt of the RSF or application monies in respect of the Excess Rights Shares with Warrants will be made by our Company or our Share Registrar. However, successful applicants will be allotted with their Rights Shares with Warrants, and notice of allotment will be issued and despatched by ordinary post to them or their renounee(s)/transferee(s) (if applicable) at their own risk to the address shown in the Record of Depositors within eight (8) market days from the last date for acceptance and payment for the Excess Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

Where an application for the Excess Rights Shares with Warrants is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest. The refund will be credited into your bank account registered with Bursa Depository or by issuance of cheque and shall be despatched to the applicants within fifteen (15) market days from the last date for acceptance and payment for the Excess Rights Shares with Warrants by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at the applicant's own risk.

10.6.2 By way of e-Subscription

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Allotments, you may apply for the Excess Rights Shares with Warrants via e-Subscription in addition to your Provisional Allotments. You may do so by following the same steps as set out in Section 10.4.2 of this Abridged Prospectus, save and except that you shall proceed with the option for application for Excess Rights Shares with Warrants and the amount payable to be directed to “**FITTERS EXCESS RIGHTS ISSUE ACCOUNT**” for the Excess Rights Shares with Warrants applied for. The e-Subscription for Excess Rights Shares with Warrants will be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this Abridged Prospectus.

Any Provisional Allotments which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounees(s), if applicable, shall be made available for Excess Rights Shares with Warrants applications. It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 10.6 above.

Where an application for the Excess Rights Shares with Warrants is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest. The refund will be credited into your bank account registered with Bursa Depository or by issuance of cheque and shall be despatched to the applicants within fifteen (15) market days from the last date for acceptance and payment for the Excess Rights Shares with Warrants by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at the applicant’s own risk.

10.7 Procedures for acceptance by renounee(s) and/or transferee(s)

The procedures applicable to renounee(s) and/or transferee(s) for acceptance, selling and/or transferring of the Provisional Allotments, applying for the Excess Rights Shares with Warrants and/or, payment are the same as those which are applicable to the Entitled Shareholders as described in Sections 10.3, 10.4, 10.5 and 10.6 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you may obtain the same from your stockbroker, the registered office of FITTERS, the Share Registrar or on Bursa Securities’ website at <http://www.bursamalaysia.com>.

RENOUNEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ AND ADHERE STRICTLY TO THIS ABRIDGED PROSPECTUS AND THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.8 CDS Accounts

Bursa Securities has already prescribed the Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, all dealings in the Rights Shares with Warrants will be by book entry through a CDS Account and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants. Failure to comply with these specific instructions for application or inaccuracy in the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants shall constitute consent to receive such Rights Shares with Warrants as prescribed securities which will be credited directly into your CDS Account. No physical share certificates will be issued to you.

Any person who intends to subscribe for the Rights Shares with Warrants as a renounee and/or transferee by purchasing the Provisional Allotments from an Entitled Shareholder will have his Rights Shares with Warrants credited directly as prescribed securities into his/ her CDS Account.

All Excess Rights Shares with Warrants, if allotted to the successful applicants who apply for the Excess Rights Shares with Warrants, will be credited directly into the CDS Accounts of the successful applicants.

10.9 Laws of foreign countries or jurisdictions

The Documents have not been, and will not be made to, comply with the laws of any country or jurisdiction other than Malaysia, and have not been, and will not be, lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The Documents are not intended to be, and will not be, issued, circulated or distributed, and the Rights Issue with Warrants will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to persons receiving the Documents within Malaysia.

Accordingly, the Documents have not been, and will not be, despatched to the Foreign Addressed Shareholders. However, the Foreign Addressed Shareholders may collect the Documents from the Share Registrar in Malaysia, Sectrars Management Sdn Bhd, at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad Brickfields, 50470 Kuala Lumpur, who is entitled to request such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

The Company will not make or be bound to make any enquiry as to whether you have an address or address for service in Malaysia other than as stated in the Record of Depositors on the Entitlement Date or who have provided the Share Registrar with an address in Malaysia for the despatch of Documents as at **5.00 p.m. on Friday, 17 March 2023** and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. We will assume that the Rights Issue with Warrants and the acceptance by our Entitled Shareholders thereof would not be in breach of the laws of any jurisdiction. We will further assume that our Entitled Shareholders have accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares with Warrants, your acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue with Warrants and not in breach of the laws of any country or jurisdiction. To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares with Warrants, you will be deemed to have accepted the Rights Issue with Warrants in Malaysia and be subject to the laws of Malaysia with respect thereto.

All Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject. Neither we, the Board, TA Securities, nor any other adviser to the Rights Issue with Warrants ("**Parties**") shall accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any Foreign Addressed Shareholder and/or his renounee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against us in respect of their entitlements or to any proceeds thereof.

Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and the Company shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights or entitlements under the Rights Issue with Warrants. Such Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Rights Issue with Warrants.

We reserve the right, at our absolute discretion, to treat any acceptance as invalid, if we believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements in any country or jurisdiction outside Malaysia. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of the Excess Rights Shares with Warrants available for excess application by other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable).

No shareholder or person acting for the account or benefit of any such person, or any other person, shall have any claims whatsoever against any of the Parties.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus, or subscribing for or acquiring the Rights Shares with Warrants, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign Addressed Shareholder and/or his renounee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) that person has complied with the laws to which he and/or his renounee(s) and/or transferee(s) (if applicable) is or may be subject to in connection with the acceptance or renunciation;
- (iii) that person is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any country or jurisdiction to which that person is or may be subject to;
- (iv) that person has an address for service of process in Malaysia;
- (v) that person is aware that his Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (vi) that person has obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and had relied on his own evaluation to assess the merits and risks of the investment; and
- (vii) that person has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares with Warrants, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the Rights Issue with Warrants, offer, distribute or send any of them into any jurisdiction where doing so would or might contravene local securities, exchange control or other relevant laws or regulations. If the Documents are received by any person in such jurisdiction or by the agent or nominee of any such person, he/ she/ it/ they must not seek to accept the offer unless he/ she/ it/ they have complied with and observed the laws of all relevant jurisdictions.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section, and FITTERS reserves the right to reject a purported acceptance of the Rights Shares with Warrants from any application by Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF.

12. FURTHER INFORMATION

You are requested to refer to the enclosed Appendix I for further information.

Yours faithfully
For and on behalf of the Board of
FITTERS DIVERSIFIED BERHAD



HOO SWEE GUAN
Executive Director

APPENDIX I - INFORMATION ON THE COMPANY

1. SHARE CAPITAL

As at the LPD, the issued share capital of the Company is RM258,245,023 comprising 607,983,311 Shares (excluding 12,817,648 treasury shares).

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.3 of this Abridged Prospectus for information on the substantial Shareholders' shareholdings before and after the Rights Issue with Warrants.

3. DIRECTORS

The details of the Board as at the LPD are set out in the table below:

Name (Designation)	Age	Address	Nationality
Dato' Sok One A/L Esen (Independent Non-Executive Chairman)	65	No. 65, Jalan EJ 1 Taman Emas Jaya 43800 Dengkil, Selangor	Malaysian
Dato' Sri Gan Chow Tee (Executive Director)	58	No. 13, Jalan Puncak Perdana 5 Puncak Perdana Taman Cheras Perdana 43200 Cheras, Selangor	Malaysian
Hoo Swee Guan (Executive Director)	41	No. 21, Jalan Elektron U16/62 Seksyen U16, Denai Alam 40160 Shah Alam, Selangor	Malaysian
Kho See Yiing (Independent Non-Executive Director)	46	7221, Lorong Stampin Barat 4A1 93520 Kuching, Sarawak	Malaysian
Wong Kok Seong (Independent Non-Executive Director)	54	D-17-01, Casa Desa Condominium Taman Desa 58100 Kuala Lumpur Wilayah Persekutuan	Malaysian

Save for Hoo Swee Guan, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD. Please refer to Section 8.3 of this Abridged Prospectus on the pro forma effects of the Rights Issue with Warrants on Hoo Swee Guan's shareholdings.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**4. HISTORICAL FINANCIAL INFORMATION**

A summary of the historical financial information of the Group is as follows:

Historical financial performance

	Audited			Unaudited	
	FYE 31 December 2019	FYE 31 December 2020	15-month FPE 31 March 2022 ⁽¹⁾	9-month FPE 31 December 2021	9-month FPE 31 December 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	263,004	215,713	422,772	264,921	326,065
Cost of sales	(222,014)	(203,156)	(400,852)	(248,180)	(299,236)
GP	40,990	12,557	21,920	16,741	26,829
Other income	6,262	6,708	20,008	2,154	2,281
Administrative expenses	(31,095)	(28,641)	(52,519)	(24,781)	(48,207)
Net loss on disposal of quotes investment	-	-	-	-	(2,096)
Net reversal of impairment losses / (impairment losses) of financial assets	(2,099)	252	(1,829)	(13,871)	(10,069)
Operating (loss) / profit	14,058	(9,124)	(12,420)	(19,757)	(31,262)
Finance costs	(5,123)	(3,763)	(3,069)	(1,878)	(1,329)
Gain / (loss) on disposal of investment in subsidiary company	-	-	-	-	(3,211)
Gain / (loss) on disposal of investment in associate company	-	-	-	16,142	-
PBT / (LBT)	8,935	(12,887)	(15,489)	(5,493)	(35,802)
Taxation	(4,436)	(3,342)	(1,377)	(987)	(2,274)
PAT / (LAT)	4,499	(16,229)	(16,866)	(6,480)	(38,076)
Loss for the financial period for discontinued operation	-	-	-	-	(3,812)
	4,499	(16,229)	(16,866)	(6,480)	(41,888)
PAT / (LAT) attributable to:					
- owners of the Company	4,685	(13,077)	(12,931)	(4,221)	(40,798)
- non-controlling interests	(186)	(3,152)	(3,935)	(2,259)	(1,090)
GP margin (%)	15.59	5.82	5.18	6.32	8.23
PAT / (LAT) margin (%)	1.71	(7.52)	(3.99)	(2.45)	(11.68)
Weighted average no. of Shares in issue ('000)	468,474	462,247	467,680	467,680	607,983
Basic EPS / (LPS) (sen)	1.00	(2.83)	(2.76)	(0.90)	(6.71)

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)Note:

- (1) As a result of the change in the Company's financial year end from 31 December to 31 March. The change in financial year end was to allow more time to facilitate better planning and operational processes in preparing of the Group's consolidated financial statements.

Historical financial position

	Audited			Unaudited
	As at 31 December 2019	As at 31 December 2020	As at 31 March 2022	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Non-current assets	288,177	278,183	223,751	190,705
Current assets	260,121	229,260	284,785	259,062
Total assets	548,298	507,443	508,536	449,767
Share capital	240,662	240,662	262,157	262,157
Treasury shares	(7,823)	(3,912)	(3,912)	(3,912)
Other reserves	36,242	35,996	35,750	35,799
Retained earnings	107,388	84,515	71,853	31,065
Shareholders' equity / NA	376,469	357,261	365,848	325,109
Non-controlling interests	13,418	10,266	6,331	556
Total equity	389,887	367,527	372,179	325,665
Non-current liabilities	29,737	20,381	14,134	8,246
Current liabilities	128,674	119,535	122,223	115,856
Total liabilities	158,411	139,916	136,357	124,102
Total equity and liabilities	548,298	507,443	508,536	449,767

Historical cash flow

	Audited			Unaudited
	FYE 31 December 2019	FYE 31 December 2020	15-month FPE 31 March 2022	9-month FPE 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Net cash from / (used in)				
Operating activities	27,170	25,629	13,113	12,475
Investing activities	(832)	2,545	19,168	4,531
Financing activities	(29,694)	(20,283)	9,188	(17,223)
Net increase / (decrease) in cash and cash equivalents	(3,356)	7,891	41,469	(217)
Cash and cash equivalents at beginning of the year	12,184	8,828	16,719	58,188
Cash and cash equivalents at end of the year	8,828	16,719	58,188	57,971

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

(a) 9-month FPE 31 December 2022 compared to 9-month FPE 31 December 2021

The Group's revenue for the 9-month FPE 31 December 2022 increased by 23.08% to RM326.07 million as compared to the previous corresponding period. This was mainly due to:

- (i) the revenue from renewable and waste-to-energy division increased by RM32.05 million to RM232.28 million (9-month FPE 31 December 2021: RM200.23 million) arising from an improved oil extraction rate from an average extraction rate of 19.34% in 9-month 31 December 2021 to an average of 19.36% in 9-month 31 December 2022 and an increase in CPO price from an average CPO price of RM4,548 per ton in 9-month 31 December 2021 to an average of RM4,674 per ton in 9-month 31 December 2022; and
- (ii) the revenue from property development and construction division increased by RM22.70 million to RM30.41 million (9-month FPE 31 December 2021: RM7.71 million) arising from the improved progress of the construction work of Phase 2 of Taman Putra, The Belleza from stage of completion of 13% as at 31 December 2021 to 55% as at 31 December 2022.

The Group recorded a higher GP of RM26.83 million (GP margin of 8.23%) for the 9-month FPE 31 December 2022 as compared to a GP of RM16.74 million (GP margin of 6.32%) in the previous corresponding period. The increase in GP was mainly due to the higher revenue as set out above. The higher GP margin was mainly due to disposal of Molecor SEA which was contributing GP loss to the Group in previous corresponding period.

Despite the higher revenue, the Group recorded a LAT of RM38.08 million for the 9-month FPE 31 December 2022 as compared to a LAT of RM6.48 million in the previous corresponding period. The LAT recorded was mainly due to:

- (i) absence of the one-off gain on disposal of investment in associate company amounting to RM16.14 million;
- (ii) increase of administrative expenses by RM23.43 million to RM48.21 million (9-month FPE 31 December 2021: RM24.78 million) mainly arising from the inventories written down for property under development amounting to RM27.80 million due to rescinding of a project hence written-down of development cost incurred.

For the 9-month FPE 31 December 2022, the Group recorded a decrease in cash and cash equivalents of RM0.28 million (15-month FPE 31 March 2022: increase of RM41.47 million). This was mainly due to the repayment of bank borrowings amounting to RM16.73 million which was partially offset by proceeds from disposal of subsidiary amounting to RM8.62 million.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**(b) 15-month FPE 31 March 2022 compared to FYE 31 December 2020**

The Group's key financial information for the 15-month FPE 31 March 2022 on an annualised basis and for the FYE 31 December 2020 are set out below:

	15-month FPE 31 March 2022		FYE 31 December 2020
	Actual	Annualised	
	RM'000	RM'000	RM'000
Revenue from renewable and waste-to-energy division	313,629	250,903	111,239
Revenue from fire services division	94,324	75,459	98,115
Revenue from other divisions	21,599	17,279	14,414
Less: elimination	(6,780)	(5,423)	(8,055)
Total revenue	422,772	338,218	215,713
Cost of sales	(400,852)	(320,682)	(203,156)
GP	21,920	17,536	12,557
LBT	(15,489)	(12,391)	(12,887)
LAT	(16,866)	(13,493)	(16,229)

The Group's revenue for the 15-month FPE 31 March 2022 increased by 95.99% to RM422.77 million as compared to the previous financial year (the annualised revenue for the 15-month FPE 31 March 2022 was RM338.22 million, representing an increase of 56.79% on an annualised basis). This was mainly due to the annualised revenue from renewable and waste-to-energy division increased by RM202.39 million to RM313.63 million (FYE 31 December 2020: RM111.24 million) arising from improved oil extraction rate from an average extraction rate of 18.13% in FYE 31 December 2020 to an average of 18.91% in 15-month FPE 31 March 2022 as well as an increase in CPO price from an average CPO price of RM2,613 per ton in FYE 31 December 2020 to an average of RM4,716 per ton in 15-month FPE 31 March 2022.

However, the increase in revenue was partially offset by the decrease in fire services division, which decreased by 3.86% to RM94.32 (the annualised revenue for the 15-month FPE 31 March 2022 was RM75.46 million, representing a decrease of 23.09% on an annualised basis). This was mainly due to slow down in the progress of a few engineering projects.

The Group recorded a higher GP of RM21.92 million (GP margin of 5.18%) for the 15-month FPE 31 March 2022 as compared to a GP of RM12.56 million (GP margin of 5.82%) in the previous financial year. The increase in GP was mainly due to the higher revenue from renewable and waste-to-energy division as set out above. However, it was partially offset by the performance of its fire services division, mainly due to lower revenue recorded of RM94.32 million as mentioned above (FYE 31 December 2020: RM98.12 million).

The Group recorded a higher LAT of RM16.87 million for the 15-month FPE 31 March 2022 as compared to a LAT of RM16.23 million in the previous financial year (the annualised LAT for the 15-month FPE 31 March 2022 was RM13.49 million, representing a decrease of 16.86% on an annualised basis). The higher LAT was mainly due to:

- (i) impairment loss on receivables of RM15.99 million (FYE 31 December 2020: net reversal of impairment loss of RM0.25 million) mainly due to write-off of a receivable from the property development and construction division as agreed upon early final settlement of debt; and

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

- (ii) increase of employee benefit expenses by RM8.97 million to RM27.54 million (FYE 31 December 2020: RM18.57 million) (the annualised employee benefit expenses for the 15-month FPE 31 March 2022 was RM22.03 million, representing an increase of 18.66% on an annualised basis) mainly due to increase in number of senior management and ex-gratia payment for a demised Director.

For the 15-month FPE 31 March 2022, the Group recorded an increase in cash and cash equivalents of RM41.47 million (FYE 31 December 2020: increase of RM7.89 million) mainly due to net cash generated from investing activities amounting to RM19.17 million and operating activities amounting to RM13.11 million.

(c) FYE 31 December 2020 compared to FYE 31 December 2019

The Group's revenue for the FYE 31 December 2020 decreased by 17.98% to RM215.71 million as compared to the previous financial year. This was mainly due to the following:

- (i) the revenue from property development and construction division decreased by RM29.80 million to RM8.75 million (FYE 31 December 2019: RM38.55 million) mainly due to delay in Phase 2 work commencement of the Taman Putra project resulting from the COVID-19 pandemic; and
- (ii) the revenue from HYPRO® PVC-O pipes manufacturing and distribution division decreased by RM24.44 million to RM2.66 million (FYE 31 December 2019: RM27.10 million) mainly due to tender activities and contracts awards were either delayed or halted during the MCO.

However, the decrease in revenue was partially offset by the revenue from renewable and waste-to-energy division which increased by RM8.74 million to RM110.80 million (FYE 31 December 2019: RM102.06 million) mainly due to increase in palm products prices.

The Group recorded a lower GP of RM12.56 million (GP margin of 5.82%) for the FYE 31 December 2020 as compared to a GP of RM40.99 million (GP margin of 15.59%) in the previous financial year. The decrease in GP was mainly due to the following:

- (i) lower revenue as set out above;
- (ii) performance of the palm oil mill was affected by shortage of FFB supply which then led to increase in FFB prices in the area where the palm oil mill is located; and
- (iii) delay in the work commencement of Taman Putra Phase 2 project due to COVID-19 pandemic.

The Group recorded a LAT of RM16.23 million for the FYE 31 December 2020 as compared to a PAT of RM4.50 million in the previous financial year. The LAT recorded was mainly due to the following:

- (i) lower GP as set out above; and
- (ii) increase in impairment loss on property, plant and equipment by RM3.71 million to RM5.31 million (FYE 31 December 2019: RM1.60 million) due to reassessment of future economic benefit of a gasifier plant.

For FYE 31 December 2020, the Group recorded an increase in cash and cash equivalents of RM7.89 million (FYE 31 December 2019: decrease of RM3.36 million).

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

This was mainly due to net cash generated from operating activities amounting to RM25.63 million. However, the above was partially offset by the following:

- (i) purchase of treasury shares amounting to RM8.44 million; and
- (ii) repayment of term loan amounting to RM11.08 million.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of FITTERS Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:

	High RM	Low RM
<u>2022</u>		
March	0.260	0.135
April	0.165	0.120
May	0.145	0.075
June	0.085	0.065
July	0.085	0.060
August	0.080	0.065
September	0.075	0.065
October	0.075	0.065
November	0.095	0.070
December	0.120	0.075
<u>2023</u>		
January	0.110	0.080
February	0.115	0.090
Last transacted market price on 12 May 2022, being the last Market Day immediately prior to the first announcement of the Rights Issue with Warrants	0.135	
Last transacted market price on 15 March 2023, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)	0.085	
Last transacted market price on the LPD (RM)	0.095	

(Source: Bloomberg)

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save as disclosed below and the Provisional Allotments as well as Excess Rights Shares with Warrants, no option to subscribe for any securities of the Company has been granted or is entitled to be granted to any person:

- (i) under the SIS, the Company may grant SIS Options to subscribe for new Shares up to but not exceeding 15% of the Company's total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of 5 years from the effective date of the SIS (i.e. 28 January 2022). The exercise price for such SIS Options shall be determined by the Board at its discretion upon recommendation of the SIS committee based on the 5-day VWAP of the Shares immediately prior to the date of offer with a discount of not more than 10%.

As at the LPD, the Company has up to 91,197,400 SIS Options which may be granted pursuant to the maximum allowable amount under the SIS. The Company does not intend to grant any SIS Options prior to the completion of the Rights Issue with Warrants.

7. MATERIAL CONTRACTS

Save as disclosed below, the Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the 2 years preceding the date of this Abridged Prospectus:

- (i) On 29 July 2022, FITTERS has entered into a share sale and purchase agreement with Molecor Tecnologia for the disposal of 79,500,000 ordinary shares in Molecor SEA, representing 72.27% of FITTERS' equity interest in Molecor SEA, at a consideration of RM9.00 million. The share sale and purchase agreement has been completed on 12 October 2022;
- (ii) On 24 August 2022, FITTERS has entered into a sale and purchase agreement with United Sapphire Sdn Bhd ("**United Sapphire**") for the disposal by FITTERS of 2 parcels of industrial lands distinguished as Parcel Nos. Lot 5/129 and 6/129 measuring approximately 8.49 acres in area in aggregate, comprised within part of the development known as "KAWASAN PERINDUSTRIAN GEBENG PHASE II, KUANTAN, PAHANG DARUL MAKMUR" together with a double-storey office building annexed to a single-storey detached factory together with other ancillary buildings erected thereon and bearing its postal address at Lot No. 5/129 and 6/129, Jalan Gebeng 2/13, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang for a consideration of RM21.00 million. As at the LPD, the sale has yet to be completed and is expected to be completed before end of March 2023;
- (iii) On 8 September 2022, Rasa Anggun Development Sdn Bhd (a wholly-owned subsidiary of FITTERS) has entered into a sale and purchase agreement with Aikbee Development (Kepong) Sdn Bhd for the disposal of a piece of leasehold land measuring approximately 18.97 hectares held under Individual Title No. PN122559 Lot 93260 Mukim Rawang Daerah Gombak Negeri Selangor for a consideration of RM36.00 million. As at the LPD, the sale has yet to be completed and is expected to be completed by before end of June 2023; and
- (iv) On 12 January 2023, FNSB has entered into a sale and purchase agreement with KAB Energy Holdings Sdn Bhd for FNSB's sale of the whole of the issued share capital of Future Biomass Gasification Sdn Bhd at a consideration of RM15.00 million. As at the LPD, the sale has yet to be completed and is expected to be completed by before end of April 2023.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

8. MATERIAL LITIGATION

As at the LPD, save as disclosed below, FITTERS Group is not involved in any material litigation, claims or arbitration and the Board confirmed that there are no proceedings pending or threatened involving the FITTERS Group, or of any facts likely to give rise to any such proceedings:

- (i) On 30 August 2021, FNSB had received a sealed Writ and Statement of Claim from AHT through its solicitors claiming for an alleged total sum of Euro 1.78 million (approximately RM8.41 million⁽¹⁾), premised upon a non-binding head of agreement and a purported oral agreement. AHT claims that FNSB has allegedly breached the terms of the heads of agreement wherein FNSB had failed to settle certain invoices delivered to FNSB and had therefore failed to perform FNSB's contractual obligation under the heads of agreement.

FITTERS has appointed Messrs Ong, Ric & Partners to act for FNSB to refute AHT's allegations and to defend FNSB against AHT's claims.

FNSB has entered its defence and counterclaim on 15 December 2021. AHT has filed its reply to defence and defence to counterclaim on 22 February 2022 and subsequently, FNSB has filed its reply to defence to counterclaim on 9 March 2022.

In addition, FNSB has filed an application together with an affidavit in support to request for security for costs from AHT on 23 March 2022. On 4 July 2022, FNSB and AHT had mutually consented to record a consent order in relation to FNSB's application for security for costs in the sum of RM100,000.00. The sum of RM100,000.00 has been deposited with the respective solicitors as stakeholders pending the full and final disposal of the proceedings.

The next case management is fixed on 16 March 2023 to update the status of preparation of pre-trial documents and FITTERS will make the necessary announcements on the development of the case.

In the worst-case scenario where the High Court agrees entirely with AHT's claim against FNSB and entirely dismisses FNSB's counterclaim, the Court may potentially order FNSB to pay to AHT a sum of Euro 1.78 million (approximately RM8.41 million⁽¹⁾) together with interest and costs. Any judgment or order given by the High Court is subject to appeal to the Court of Appeal.

In the event a judgment is given against FNSB's favour, the financial impact to FITTERS shall be limited to the amount awarded by the court (i.e. up to approximately RM8.41 million as mentioned above). As no provision has been made for this litigation, a judgment against FNSB's favour is expected to have a material adverse impact on the Group's financial performance. However, there shall be no impact on FITTERS' operations.

Nonetheless, the Board is of the view that FNSB has a fair chance to oppose AHT's claims and succeed in FNSB's counterclaim as AHT's claims are not substantiated and FNSB's counterclaim is substantiated by contemporaneous evidence.

- (ii) On 26 May 2022, FNSB had received a sealed Writ and Statement of Claim from AHT through its solicitors claiming for an alleged balance sum of Euro 342,857.14 (approximately RM1.62 million⁽¹⁾), premised upon a purchase and sales agreement dated 13 August 2012 for the construction, testing and commissioning of a 200-kilowatt biomass gasification plant ("**Purchase and Sales Agreement**"). AHT alleges that FNSB has failed to settle the invoiced sum of Euro 342,857.14 (approximately RM1.62 million⁽¹⁾) despite the fact that AHT had failed to fulfil its obligations under the Purchase and Sales Agreement to conduct testing and commissioning of the biomass gasification plant.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

FITTERS has appointed Messrs Ong, Ric & Partners to act for FNSB to refute AHT's allegations, to defend FNSB against AHT's claims and to counterclaim for a sum of Euro 800,000.00 (approximately RM3.78 million⁽¹⁾) and Euro 149,000.00 (approximately RM0.70 million⁽¹⁾) respectively. Thereafter, AHT had filed an application to obtain summary judgment against FNSB while FNSB had filed an application to strike out AHT's claim against FNSB. Both interlocutory proceedings has been fixed for hearing on 4 April 2023 and FITTERS will make the necessary announcements on the development of the case.

In the worst-case scenario where the High Court agrees entirely with AHT's claim against FNSB and entirely dismisses FNSB's counterclaim, the Court may potentially order FNSB to pay to AHT a sum of Euro 342,857.14 (approximately RM1.62 million⁽¹⁾) together with interest and costs. Any judgment or order given by the High Court is subject to appeal to the Court of Appeal.

In the event a judgment is given against FNSB's favour, the financial impact to FITTERS shall be limited to the amount awarded by the court (i.e. up to approximately RM1.62 million as mentioned above). Nevertheless, the Group has previously made a provision of RM1.70 million for this litigation in its 15-month FPE 31 March 2022, hence a judgment against FNSB's favour is not expected to have any further material adverse impact on the Group's financial performance. There shall be no impact on FITTERS' operations arising from the outcome of this litigation.

Nonetheless, the Board is of the view that FNSB has a fair chance to oppose AHT's claims and succeed in FNSB's counterclaim as AHT had failed to fulfil its obligations under the Purchase and Sales Agreement.

Note:

(1) Based on BNM's exchange rate of Euro1:RM4.7255 as at the LPD.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

9. CONSENTS

- (i) The written consents of the Principal Adviser, company secretary, Share Registrar, reporting accountants, IMR and the solicitors for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of FITTERS at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (i) the Constitution of the Company;
- (ii) the Undertakings referred to in Section 3 of this Abridged Prospectus;
- (iii) the IMR Report referred to in Section 7.3 of this Abridged Prospectus;
- (iv) the material contracts referred to in Section 7 of Appendix I above;
- (v) the relevant cause papers in respect of the material litigation referred to in Section 8 of Appendix I above;
- (vi) the letters of consent referred to in Section 9 of Appendix I above; and
- (vii) the Deed Poll.

11. RESPONSIBILITY STATEMENT

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the accuracy of the information contained therein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) TA Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.

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